



兖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 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 accept joint and several responsibility for the truthfulness, accuracy and completeness of the content. These quarterly financial statements of the Company have not been audited.

- Summary of the results for the first quarter ended 31st March 2002:
- During the period under review, revenue from principal operations was RMB1,760.361 million, representing an increase of RMB314.218 million or 21.7% over the same period last year. Realized net profit was RMB311.619 million, representing an increase of RMB108.479 million or 53.4% over the same period last year.
 - This quarterly report is prepared in accordance with the regulations on Disclosure of Information in Quarterly Reports for Listed Companies by the China Securities Regulatory Commission.
 - All financial information contained in this quarterly 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 for details of which 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"; Shareholders of the Company and public investors should be aware of investment risks when trading shares in the Company.
 - Unless otherwise specified, the currency in this quarterly 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.

1. CORPORATE INFORMATION

1. Company Chinese Name	兖州煤業股份有限公司
Company English Name	Yanzhou Coal Mining Company Limited
2. Legal Representative	Mo Liqi
3. Authorised Representatives	Yang Jiachun Chen Guangshui
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
4. Registered Address	40 Fushan Road Zoucheng Shandong Province PRC
Office Address	40 Fushan Road Zoucheng Shandong Province PRC
Postal Code	273500
Website	http://www.yanzhoucoal.com.cn
E-mail	yzc@yanzhoucoal.com.cn
5. Newspapers for disclosure of information of the Company	China Securities, Shanghai Securities News, Wen Wei Po of Hong Kong, South China Morning Post of Hong Kong
Website for posting of quarterly reports of the Company	http://www.sse.com.cn
Depository for the Company's quarterly reports	Office of the Secretary of the Board of Directors of Yanzhou Coal Mining Company Limited Tel: (86-537)-5382319 Fax: (86-537)-5383311
6. 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

details of the acquisition of railway assets, please refer to the summary of the annual results for the year ended 31st December, 2001 published in China Securities and Shanghai Securities News in the PRC, and the annual results announcement for the year ended 31st December 2001 published in Wen Wei Po and South China Morning Post in Hong Kong on 9th April, 2002.

(4) Production and business environment and the effects of changes in macro policy and rules and regulations on the financial status and operating results of the Company

Coal price of the Company was able to benefit from the improved market in the previous year. It was maintained at a relatively higher level in the first quarter of 2002, rising 15.9% from the same period last year. The Company's main export market is Japan. As a practice, the contract price as well as volume for the first quarter of any one year shall have been determined in the second quarter of the previous year. The contract prices of No. 2 clean coal and No. 3 clean coal for the first quarter of 2002 were USD35/ton and USD33.5/ton respectively and were 16.6% and 19.5% higher than that of the same period last year respectively. The export volume was 3.058 million tonnes, 12.9% higher than the same period last year. The export price saw a relatively large increase in the first quarter of 2002. The financial status of the Company was not materially affected by the production and operation environment and change in macro policy. Towards the end of 2001, the PRC government allowed some small mines to resume production resulting in an increase of coal supply in the domestic market and the coal price in the second quarter of 2002 is likely to drop. The decision to close a large portion of small mining companies made by the State Economic and Trade Commission in March will serve to balance supply and demand in the domestic market and maintain a stable coal price. Coal price in the international market dropped after resuming an upward trend in 2001. The Company has contracted to supply over 5 million tonnes of No. 2 clean coal to Japan at a FOB price of US\$33/ton for the year 2002 (from the beginning of April 2002 to the end of March 2003). This represents a decrease of about 6% over the same period last year. Negotiation for No. 3 clean coal has yet to be concluded. The Company will continue to export spot coal in 2002. On the whole, the average coal price this year will be higher than that of last year.

4. SIGNIFICANT AND POST-REPORT MATTERS

1. Material litigations and arbitration

The Company was not involved in any material litigation or arbitration during the period under review.

2. Material guarantee, investment services and borrowing of funds

The Company has not given any material guarantee or received any investment services during the period under review.

The Company borrowed a total of RMB1.2 billion from the Bank of China on 4th January, 2002 to finance the acquisition of railway assets. For details of the acquisition of railway assets, please refer to the summary of the annual results for the year ended 31st December, 2001 published in China Securities, Shanghai Securities News, and the annual results announcement for the year ended 31st December, 2001 published in Wen Wei Po and South China Morning Post of Hong Kong on 9th April, 2002.

3. Amount of material overdue debts, duration and reason of overdue and expected repayment date

The Company did not have any material overdue debts during the period under review.

4. Material assets acquisition and disposal of the Company

The Company acquired the railway assets of the Parent Company on 1st January, 2002. Details of the acquisition were set out in the summary of the annual results for the year ended 31st December, 2001 of the Company published in China Securities and Shanghai Securities News and the annual results announcement for the year ended 31st December, 2001 published in Wen Wei Po and South China Morning Post of Hong Kong on 9th April, 2002.

5. Appointment of Directors and Supervisors, election of Chairman and Vice Chairman of the Board, Chairman of the Supervisory Committee and appointment of senior management, such as the General Manager

On 22nd April, 2002, the Company held the first extraordinary general meeting for 2002. Directors' meeting and Supervisors' meeting in which resolutions in relation to the election of directors and supervisors were passed, Chairman and Vice-chairman of the Board and Chairman of the Supervisory Committee were elected and senior management such as the general manager were appointed.

For details please refer to Wen Wei Po and South China Morning Post dated 23rd April, 2002.

5. FINANCIAL AND ACCOUNTING STATEMENTS

(1) Financial Statements

1. Condensed consolidated balance sheet (unaudited)

Prepared by Yanzhou Coal Mining Company Limited

	Unit: RMB million	
	At the end of the period	At the beginning of the year
Assets		
Current assets	3,631,397	3,370,833
Long-term investment	1,760	1,760
Total fixed assets	8,142,414	7,479,755
Intangible and other assets	752,303	497,875
Total assets	12,527,874	11,350,223
Liabilities		
Current liabilities	2,183,824	2,518,449
Long-term liabilities	1,305,983	105,983
Total liabilities	3,489,807	2,624,432
Minority interest	3,120	2,463
Shareholders' equity	9,034,947	8,723,328
Total liabilities and shareholders' equity	12,527,874	11,350,223
2. Condensed consolidated statement of income (unaudited)		
Prepared by Yanzhou Coal Mining Company Limited		
	Unit: RMB million	
	During the period under review	
Item		
1. Net revenue from principal operations	1,760,361	1,760,361
2. Income from principal operations	1,039,846	1,039,846
Add: Income from other operations	8,256	8,256
Less: expenses during the period	582,325	582,325
Operating profit	465,778	465,778
Net non-operating income less expenses	0,076	0,076
4. Profit before income tax	465,854	465,854
Less: Income tax	153,578	153,578
5. Net profit	311,619	311,619

(2) Notes to Financial Statements

- There is no significant change in the accounting policy, accounting estimates and basis of consolidation of the financial statements when compared to the previous report.
 - There is no significant difference between the accounting policies adopted in the quarterly report and that of the annual results for the year ended 31st December 2001.
- 6. DOCUMENTS AVAILABLE FOR INSPECTION**
- The following documents will be available for inspection at the Office of the Secretary of the Board of Directors at 40 Fushan Road, Zoucheng, Shandong Province, the PRC:
- First Quarterly Report 2002 signed by the Chairman;
 - The accounting statements signed and sealed by the legal representative, financial controller and accounting officers;
 - Original copies of all documents and announcements of the Company disclosed in newspapers designated by China Securities Regulatory Commission during the period;
 - Articles of association; and
 - "Yanzhou Coal Mining Company Limited - First Quarterly Report 2002" published in the PRC.

APPENDIX

CONSOLIDATED BALANCE SHEET
 (Prepared in accordance with PRC GAAP)

	As at March 31, 2002		As at December 31, 2001	
	The Group	The Company	The Group	The Company
	RMB	RMB	RMB	RMB
	(Unaudited)	(Unaudited)	(Audited)	(Audited)
ASSETS				
CURRENT ASSETS				
Bank balance and cash	1,144,888,425	1,141,116,782	1,154,806,342	1,150,155,924
Short-term investments	49,997,305	49,997,305	49,997,305	49,997,305
Bills receivable	41,957,292	41,957,292	155,883,666	155,883,666
Accounts receivable	701,374,876	701,374,876	550,784,838	550,784,838
Other receivables	432,786,836	432,405,021	401,119,702	400,993,716
Prepayments	129,003,864	145,189,898	88,165,432	94,810,318
Value-added-tax refundable	419,145,249	419,145,249	419,145,249	419,145,249
Inventories	562,943,370	533,047,766	439,882,298	426,352,865
Deferred expenditures	149,300,248	149,300,248	111,048,395	111,048,395
TOTAL CURRENT ASSETS	3,631,397,465	3,613,534,437	3,370,833,227	3,359,172,276
Long-term equity investments	1,760,419	5,192,826	1,760,419	4,470,322
FIXED ASSETS				
Fixed assets at cost	12,790,322,398	12,789,829,674	11,702,052,041	11,701,559,317
Less: Accumulated depreciation	4,922,627,886	4,922,463,566	4,492,985,894	4,492,836,855
Fixed assets, net	7,867,694,512	7,867,366,108	7,209,066,147	7,208,722,462
Construction materials	1,697,068	1,697,068	1,697,068	1,697,068
Construction in progress	273,021,955	273,021,955	268,991,536	268,991,536
TOTAL FIXED ASSETS	8,142,413,535	8,142,085,131	7,479,754,751	7,479,411,066
Intangible assets	752,302,517	752,302,517	497,874,780	497,874,780
TOTAL ASSETS	12,527,873,936	12,513,114,911	11,350,223,177	11,340,928,444
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES				
Notes payable	247,655,000	247,655,000	275,860,000	275,860,000
Accounts payable	544,474,075	542,752,284	553,982,959	552,320,331
Advance from customers	39,442,422	33,556,120	122,908,153	122,794,582
Payroll payable	38,463,271	38,463,271	36,130,872	36,130,872
Dividend payable	287,000,000	287,000,000	287,000,000	287,000,000
Tax payable	158,005,948	157,574,619	104,422,939	103,629,887
Other payables	601,665,600	598,066,485	381,314,124	377,052,325
Accrued expenses	17,908,131	17,908,131	-	-
Provision for land subsidence costs	162,575,387	162,575,387	120,196,012	120,196,012
Long-term payables within one year	86,633,816	86,633,816	636,633,816	636,633,816
TOTAL CURRENT LIABILITIES	2,183,823,650	2,172,185,113	2,518,448,875	2,511,617,825
LONG-TERM LIABILITIES				
Long-term loan	1,200,000,000	1,200,000,000	-	-
Long-term payables	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	3,489,806,690	3,478,168,153	2,624,431,915	2,617,600,865
MINORITY INTEREST	3,120,488	-	2,463,683	-
SHAREHOLDERS' EQUITY				
Share capital	2,870,000,000	2,870,000,000	2,870,000,000	2,870,000,000
Capital reserves	3,711,032,804	3,711,032,804	3,711,032,804	3,711,032,804
Surplus reserves	508,643,940	508,643,940	508,643,940	508,643,940
Including: Welfare fund	169,547,980	169,547,980	169,547,980	169,547,980
Unappropriated profits	1,945,270,014	1,945,270,014	1,633,650,835	1,633,650,835
TOTAL SHAREHOLDERS' EQUITY	9,034,946,758	9,034,946,758	8,723,327,579	8,723,327,579
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	12,527,873,936	12,513,114,911	11,350,223,177	11,340,928,444
STATEMENT OF INCOME AND PROFITS APPROPRIATION (Prepared in accordance with PRC GAAP)				
	Three months ended March 31,			
	2002	2002	2002	2001
	The Group	The Company	The Group	The Company
	RMB	RMB	RMB	RMB
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net revenue from principal operations	1,760,361,148	1,760,361,148	1,446,143,243	1,446,143,243
Less: Cost of principal operations	687,837,928	690,328,484	643,737,587	643,737,587
Sales taxes on principal operations	32,677,576	32,656,812	37,163,474	37,163,474
Income from principal operations	1,039,845,644	1,037,375,852	765,242,182	765,242,182
Add: Income from other operations	8,256,443	7,366,103	3,802,423	3,802,423
Less: Operating expenses	364,179,559	362,779,976	335,263,957	335,263,957
Administrative expenses	207,538,880	207,307,936	163,769,450	163,769,450
Financial expenses	10,606,120	10,611,800	-	-
Operating profit	465,777,528	464,042,242	279,739,258	279,739,258
Add: Investment income	-	722,503	-	-
Non-operating income	1,584,868	1,584,868	114,601	114,601
Less: Non-operating expenses	1,508,833	1,502,520	1,802,287	1,802,287
Profit before income taxes	465,853,563	464,847,993	278,051,572	278,051,572
Less: Income taxes	153,			