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**內蒙古伊泰煤炭股份有限公司**

**INNER MONGOLIA YITAI COAL CO., LTD.\***

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

*(Stock Code: 3948)*

**ANNOUNCEMENT ON  
PROPOSED RE-APPOINTMENT OF AUDITORS  
FOR YEAR 2015  
PROPOSED RE-APPOINTMENT OF INTERNAL AUDITORS  
FOR YEAR 2015  
AND  
PROPOSED REPLACEMENT OF AN INDEPENDENT  
NON-EXECUTIVE DIRECTOR AND MEMBER OF  
THE BOARD COMMITTEES**

**PROPOSED RE-APPOINTMENT OF AUDITORS FOR YEAR 2015**

Da Hua Certified Public Accounts (special general partnership) and Deloitte Touche Tohmatsu have provided diligent, independent, objective and impartial auditing service during their previous work for Inner Mongolia Yitai Coal Co., Ltd (hereinafter as the “**Company**”). The board of the Company (hereinafter as the “**Board**”) proposed to re-appoint Da Hua Certified Public Accounts (special general partnership) as the domestic auditor of the Company for the year 2015 and Deloitte Touche Tohmatsu as the overseas auditor for the year 2015.

Da Hua Certified Public Accounts and Deloitte Touche Tohmatsu (hereinafter as “**Auditors**”) both hold qualifications that comply with the requirements under the PRC laws, regulations and articles of associations. Both Auditors are not deemed as connected parties with the Company.

The Auditors are entitled to receive fees from the Company agreed upon by the Company’s management and both Auditors.

The above-mentioned matter is subject to the consideration at the shareholders’ general meeting of the Company, and will be effective from the date on which the resolution is passed at the shareholders’ general meeting.

## **PROPOSED RE-APPOINTMENT OF INTERNAL AUDITORS FOR YEAR 2015**

The Board proposed to re-appoint Da Hua Certified Public Accounts (special general partnership) as the internal auditor of the Company for the year 2015.

Da Hua Certified Public Accounts Deloitte is entitled to receive fees from the Company agreed upon by the Company’s management and the auditor.

The independent directors of the Company expressed the following independent opinions on the appointment of the internal auditor:

1. The procedures of the appointment of Da Hua Certified Public Accountants (special general partnership) by the Company are in compliance with relevant requirements.
2. Upon review and examination, Da Hua Certified Public Accountants (special general partnership) holds relevant professional qualification, and has been complying with the independent audit principles and has fulfilled all of the responsibilities and obligations as required in the agreement entered into by both parties during the process of the providing internal audit services to the Company in previous years.

Accordingly, the independent directors agreed such resolution and agreed to propose such resolution to the shareholders’ general meeting of the Company for consideration.

The above-mentioned matter is subject to the consideration at the shareholder meeting of the Company, and will be effective from the date on which the resolution is passed at the shareholder meeting.

## **PROPOSED REPLACEMENT OF AN INDEPENDENT NON-EXECUTIVE DIRECTOR AND MEMBER OF THE BOARD COMMITTEES**

Ms. Song Jianzhong, 53, who has been serving as an independent non-executive director of the Company for nearly six years, will cease to serve as an independent non-executive director of the Company, member of strategic planning committee, audit committee, nomination committee, remuneration and assessment committee and production committee of the Board due to the statutory period requirement under the Guidelines on the Establishment of Independent Directorship of Listed Companies. During the term of office, Ms. Song Jianzhong has strictly executed relevant laws and regulations of listed companies, and performed her duties legally to make a great contribution to the normative operation of the Board. The Company and the Board would like to express their gratitude to the hard work and contribution of Ms. Song during these years. The Board of the Company proposed to carry out re-election of the independent director. In the meantime, Ms. Song Jianzhong tendered her resignation and ceased to perform relevant duties in the Board committees. The Company proposed to nominate Mr. Zhang Zhiming as the candidate of the Company's independent director, and nominate Mr. Zhang Zhiming to succeed in the aforementioned committees of the Board and continue performing the relevant duties of Ms. Song Jianzhong. Upon due appointment, Mr. Zhang Zhiming will sign a service contract with the Company. The term of service will last from his appointment to the expiry of the Board.

Ms. Song Jianzhong has confirmed that there is no disagreement with the Board nor is there any other matter in connection with him which needs to be brought to the attention of shareholders of the Company.

Details of Mr. Zhang Zhiming, which are required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules are set out as follows:

Mr. Zhang Zhiming, aged 53, Doctor of Laws, is currently a professor and a doctoral tutor of Renmin University of China. Mr. Zhang obtained the bachelor's degree and the master's degree in Law from Peking University in 1983 and 1986 respectively, and the doctoral degree in Law from Graduate School of Chinese Academy of Social Sciences in 1998. During 1986 and 1994, he served as an editor and associate editor for Chinese Social Science News of The Chinese Academy of Social Sciences. During 1994 and 2004, he was an assistant researcher and researcher of Institute of Law of Chinese Academy of Social Sciences. During 1998 and 2004, he was a professor and doctoral tutor of Graduate School of Chinese Academy of Social Sciences. From June 2004 to July 2005, he acted as the deputy director, member of the party committee and professor of National Prosecutors College of P.R.C. Since September 2005, he has been serving as a professor and doctoral tutor of Renmin University of China Law School. Mr. Zhang Zhi Ming has obtained the qualification certificate of independent director issued by the Shanghai Stock Exchange in December 2008. The Shanghai Stock Exchange did not challenge against the qualification of the independent director within five trading days since its receipt of the materials submitted by the Company. Mr. Zhang concurrently serves as an independent director at Top Energy Company Ltd., Shanxi Taigang Stainless Steel Co., Ltd. and Wolong Real Estate Group Co., Ltd.

Mr. Zhang Zhiming is entitled to receive from the Company a director's fee at such rate as from time to time approved by the shareholders, currently being RMB100,000 per annum. The director's fee is regularly reviewed with his duties and the prevailing market conditions.

Save as disclosed herein, Mr. Zhang Zhiming is and was not connected with any director, senior management or substantial or controlling shareholder of the Company, and does not hold any other position within the Company and other members of the Company.

As at the date of this announcement, to the best of the knowledge and belief of the Company, Mr. Zhang Zhiming does not have any interest in the shares of the Company (within the meaning of Part XV of the Securities and Futures Ordinance). Mr. Zhang Zhiming has not held any directorship in any other listed company in the last three years.

Save as disclosed herein, Mr. Zhang Zhiming has confirmed that there are no other matters that need to be brought to the attention of shareholders in connection with his appointment nor is there any information required to be disclosed pursuant to Rule 13.51(2)(h)-(v) of the Listing Rules.

The above-mentioned matter is subject to the consideration at the shareholder meeting of the Company, and will be effective from the date on which the resolution is passed at the shareholder meeting.

The Company will issue supplemental notices to shareholders, including (enclosing) proposals regarding appointment of audit institution for year 2015, appointment of internal audit institution for year 2015 and appointment of Mr. Zhang Zhiming as an independent non-executive director and member of the board committees of the Company.

By order of the Board  
**Inner Mongolia Yitai Coal Co., Ltd.\***  
**Zhang Donghai**  
*Chairman*

Inner Mongolia, the PRC, 11 May 2015

*As at the date of this announcement, the executive directors of the Company are Mr. Zhang Donghai, Mr. Liu Chunlin, Mr. Ge Yaoyong, Mr. Zhang Dongsheng, Mr. Zhang Xinrong, Mr. Lv Guiliang and Mr. Song Zhanyou; and the independent non-executive directors of the Company are Mr. Yu Youguang, Mr. Qi Yongxing, Ms. Song Jianzhong and Mr. Tam Kwok Ming, Banny.*

\* *For identification purpose only*