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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**

**(1) CONDITIONAL CASH OFFER BY CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED ON BEHALF OF INNER MONGOLIA YITAI COAL CO., LTD. TO BUY-BACK ALL THE ISSUED H SHARES AT HK\$17.50 PER H SHARE; AND**

**(2) PROPOSED VOLUNTARY WITHDRAWAL OF LISTING OF THE H SHARES OF INNER MONGOLIA YITAI COAL CO., LTD. ON THE STOCK EXCHANGE OF HONG KONG LIMITED**

**Financial Adviser to Inner Mongolia Yitai Coal Co., Ltd.**



**Independent Financial Adviser to the Independent H Shareholders**



## **INTRODUCTION**

Reference is made to the announcements dated 29 March 2023 and 28 April 2023 made pursuant to Rule 3.7 of the Takeovers Code in relation to the possible H Share Buy-back Offer and the Voluntary Withdrawal of Listing.

A board meeting of the Company was held on 9 May 2023, whereby the Board resolved, among other matters, that subject to compliance with the Takeovers Code, the Share Buy-backs Code and the Listing Rules, the H Share Buy-back Offer shall be made to buy-back all H Shares in issue. If the H Share Buy-back Offer becomes unconditional in all respects, all H Shares repurchased will be cancelled and the registered capital of the Company will be reduced accordingly, and the Company will make an application for the listing of the H Shares to be withdrawn from the Hong Kong Stock Exchange in accordance with Rule 6.15 of the Listing Rules.

The Company will not make an offer for the B Shares and the Domestic Shares and it is the Company's intention to maintain the listing of the B Shares on the Shanghai Stock Exchange. As advised by the PRC legal advisers to the Company, the Company is not required to make a comparable offer for the B Shares pursuant to the PRC laws and regulations. The Controlling Shareholder (as the direct sole shareholder of the unlisted Domestic Shares) and Yitai (Group) Hong Kong (a wholly-owned subsidiary of the Controlling Shareholder and a direct holder of 312,000,000 B Shares) have also entered into the DS Irrevocable Undertaking pursuant to which they have irrevocably and unconditionally undertaken to the Company, among other things, that no comparable offer has to be extended to each of the Controlling Shareholder and Yitai (Group) Hong Kong if the H Share Buy-back Offer is made by the Company and even if such comparable offer is extended to each of the Controlling Shareholder and Yitai (Group) Hong Kong, they will not accept such offer.

## **TERMS OF THE H SHARE BUY-BACK OFFER**

### **The Offer Shares**

As at the date of this announcement, save for the 326,007,000 H Shares (representing approximately 10.02% of the total issued share capital of the Company), 1,328,000,000 B Shares (representing approximately 40.81% of the total issued share capital of the Company) and 1,600,000,000 unlisted Domestic Shares (representing approximately 49.17% of the total issued share capital of the Company) in issue, the Company has no other outstanding securities, options, warrants or derivatives which are convertible into or which may confer any rights to the holder(s) thereof to subscribe for, convert or exchange into Shares, or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code). For details of the shareholding structure of the Company, please see the section headed "Shareholding structure of the Company" in this announcement.

All the 326,007,000 H Shares in issue will be subject to the H Share Buy-back Offer.

## **Offer Price**

CICC, on behalf of the Company, will make the H Share Buy-back Offer on the following basis:

For each Offer Share HK\$17.50 in cash

**The Company will not increase the Offer Price as set out above. Shareholders and potential investors should be aware that, following the making of this statement, the Company will not be allowed to increase the Offer Price and the Company does not reserve the right to increase the Offer Price.**

## **Value of the H Share Buy-back Offer**

As at the date of this announcement, the Company has 326,007,000 H Shares in issue. The H Share Buy-back Offer will be extended to all H Shareholders in accordance with the Takeovers Code.

Based on the Offer Price of HK\$17.50 per Offer Share, and assuming that the H Share Buy-back Offer is accepted in full, the value of the H Share Buy-back Offer will be approximately HK\$5,705,122,500.

## **Financial Resources available to the Company**

The Company intends to finance the consideration for the full acceptance of the H Share Buy-back Offer of HK\$5,705,122,500 by internal resources.

CICC, being the financial adviser to the Company in respect of the H Share Buy-back Offer and the Voluntary Withdrawal of Listing, is satisfied that sufficient financial resources are available to the Company to satisfy the consideration payable by the Company for the full acceptance of the H Share Buy-back Offer.

## **DS Irrevocable Undertaking**

In addition to the irrevocable undertakings regarding comparable offer as outlined under the paragraph "Introduction" above, pursuant to the DS Irrevocable Undertaking, each of the Controlling Shareholder and Yitai (Group) Hong Kong has also irrevocably and unconditionally undertaken to the Company that each of them will vote in favour of the resolutions to be proposed at the Non-H Shareholders Class Meeting (if required) and the EGM for approving the H Share Buy-back Offer and the Voluntary Withdrawal of Listing.

## **INTENTION OF THE COMPANY**

The Company intends to buy-back all H Shares in issue and withdraw the listing of its H Shares from the Hong Kong Stock Exchange pursuant to the H Share Buy-back Offer. The Company intends to maintain the listing status of the B Shares on the Shanghai Stock Exchange.

It is the intention of the Company that, after the delisting of the H Shares, (i) the Group will continue to carry on its current business, which principally comprises coal operations, transportation operations, coal related chemical operations and other operations; (ii) the Company will not introduce any major changes to the business of the Group (including any redeployment of fixed assets of the Group) in the foreseeable future; and (iii) the Company will not make any significant changes to the continued employment of the employees of the Group as a result of the implementation of the H Share Buy-back Offer or the Voluntary Withdrawal of Listing.

## **APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

The Company has appointed Gram Capital as the Independent Financial Adviser to advise the Independent H Shareholders in connection with the H Share Buy-back Offer and the Voluntary Withdrawal of Listing.

Pursuant to Rule 3.3 of the Share Buy-backs Code, as no Directors will be considered as independent in respect of the H Share Buy-back Offer and the Voluntary Withdrawal of Listing, no independent board committee will be formed for the purpose of the H Share Buy-back Offer and the Voluntary Withdrawal of Listing.

## **DESPATCH OF OFFER DOCUMENT**

The Offer Document (accompanied with the form of acceptance and proxy forms), containing, among other things, (i) the terms and conditions of the H Share Buy-back Offer and the Voluntary Withdrawal of Listing; (ii) the expected timetable of the H Share Buy-back Offer and the Voluntary Withdrawal of Listing; and (iii) a letter of advice from the Independent Financial Adviser to the Independent H Shareholders in connection with the H Share Buy-back Offer and the Voluntary Withdrawal of Listing, will be despatched to the Shareholders within twenty-one (21) days of the date of this announcement or such later date as the Executive may approve.

Further announcement(s) regarding the despatch of the Offer Document will be made by the Company as and when appropriate.

## **WARNING**

**H Shareholders and potential investors of the Company should note that the H Share Buy-back Offer is subject to the satisfaction of the Conditions in all respects. Accordingly, the H Share Buy-back Offer may or may not become unconditional. H Shareholders and potential investors of the Company should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their licensed securities dealers or registered institutions in securities, bank managers, solicitors, professional accountants or other professional advisers.**

**Independent H Shareholders are reminded that if they do not accept the H Share Buy-back Offer, and if the H Share Buy-back Offer subsequently becomes unconditional in all respects and the H Shares are delisted from the Hong Kong Stock Exchange, this will result in the Independent H Shareholders holding unlisted H Shares and the liquidity of the H Shares may be severely reduced. In addition, the Company will no longer be subject to the requirements under the Listing Rules and may or may not continue to be subject to the Takeovers Code (depending on whether it remains as a public company in Hong Kong under the Takeovers Code) after the completion of the H Share Buy-back Offer, and the rights of Independent H Shareholders to certain information of the Company will be reduced.**

**Shareholders should also note that if they do not agree to the terms of the H Share Buy-back Offer, they can vote against the H Share Buy-back Offer and the Voluntary Withdrawal of Listing at the H Shareholders Class Meeting, Non-H Shareholders Class Meeting (if required) and/or the EGM (as the case may be). If more than 10% of the votes attaching to all the H Shares held by the Independent H Shareholders are voted against the H Share Buy-back Offer and the Voluntary Withdrawal of Listing at the H Shareholders Class Meeting, the H Share Buy-back Offer would lapse and the H Shares would remain listed on the Hong Kong Stock Exchange.**

## INTRODUCTION

Reference is made to the announcements dated 29 March 2023 and 28 April 2023 made pursuant to Rule 3.7 of the Takeovers Code in relation to the possible H Share Buy-back Offer and the Voluntary Withdrawal of Listing.

A board meeting of the Company was held on 9 May 2023, whereby the Board resolved, among other matters, that subject to compliance with the Takeovers Code, the Share Buy-backs Code and the Listing Rules, the H Share Buy-back Offer shall be made to buy-back all H Shares in issue. If the H Share Buy-back Offer becomes unconditional in all respects, all H Shares repurchased will be cancelled and the registered capital of the Company will be reduced accordingly, and the Company will make an application for the listing of the H Shares to be withdrawn from the Hong Kong Stock Exchange in accordance with Rule 6.15 of the Listing Rules.

The share capital of the Company comprises H Shares, B Shares and Domestic Shares. The Company will not make an offer for the B Shares and the Domestic Shares, because:

- a) it is the Company's intention to maintain the listing of the B Shares on the Shanghai Stock Exchange. As advised by the PRC legal advisers to the Company, the Company is not required to make a comparable offer for the B Shares pursuant to the PRC laws and regulations; and
- b) as of the date of this announcement, the Controlling Shareholder, being the direct sole holder of the Domestic Shares, and Yitai (Group) Hong Kong, being the direct holder of 312,000,000 B Shares and a wholly-owned subsidiary of the Controlling Shareholder, entered into the DS Irrevocable Undertaking in favour of the Company, pursuant to which they have irrevocably agreed and undertaken to the Company, among other things, no comparable offer has to be extended to each of the Controlling Shareholder and Yitai (Group) Hong Kong if the H Share Buy-back Offer is made by the Company and even if such comparable offer is extended to each of the Controlling Shareholder and Yitai (Group) Hong Kong, they will not accept such offer. Given that the Controlling Shareholder and Yitai (Group) Hong Kong have entered into the DS Irrevocable Undertaking, no comparable offer will be made to each of the Controlling Shareholder and Yitai (Group) Hong Kong.

Based on the above, the Company has applied to the Executive for a waiver from the requirements under Rule 14 of the Takeovers Code to extend a comparable offer for the B Shares and the Domestic Shares. The Executive has indicated that it is minded to grant such a waiver as at the date of this announcement.

## **TERMS OF THE H SHARE BUY-BACK OFFER**

### **The Offer Shares**

As at the date of this announcement, save for the 326,007,000 H Shares (representing approximately 10.02% of the total issued share capital of the Company), 1,328,000,000 B Shares (representing approximately 40.81% of the total issued share capital of the Company) and 1,600,000,000 unlisted Domestic Shares (representing approximately 49.17% of the total issued share capital of the Company) in issue, the Company has no other outstanding securities, options, warrants or derivatives which are convertible into or which may confer any rights to the holder(s) thereof to subscribe for, convert or exchange into Shares, or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code). For details of the shareholding structure of the Company, please see the section headed “Shareholding structure of the Company” in this announcement.

All the 326,007,000 H Shares in issue will be subject to the H Share Buy-back Offer.

Under the terms of the H Share Buy-back Offer, subject to the H Share Buy-back Offer becoming unconditional in all respects, the Offer Shares to be acquired shall be fully paid and free from all Encumbrances, together with all rights attached or accrued thereto on or after the date on which the H Share Buy-back Offer is made, including the right to receive in full all dividends and other distributions declared, if any, the record date of which falls on or after the date on which the H Share Buy-back Offer is made (i.e. the date of despatch of the Offer Document).

The Company confirms that as at the date of this announcement, (i) it has not declared any dividend which is not yet paid and (ii) it does not have any intention to declare or pay any future dividend or make other distributions prior to and including the closing date of the H Share Buy-back Offer.

### **Offer Price**

CICC, on behalf of the Company, will make the H Share Buy-back Offer on the following basis:

For each Offer Share

HK\$17.50 in cash

**The Company will not increase the Offer Price as set out above. Shareholders and potential investors should be aware that, following the making of this statement, the Company will not be allowed to increase the Offer Price and the Company does not reserve the right to increase the Offer Price.**

## Comparison of value

The Offer Price of HK\$17.50 represents:

- (a) a premium of approximately 8.97% over the closing price of HK\$16.06 per H Share as quoted on the Hong Kong Stock Exchange on 9 May 2023, being the last trading day prior to the publication of this announcement;
- (b) a premium of approximately 54.87% over the closing price of HK\$11.30 per H Share as quoted on the Hong Kong Stock Exchange on 29 March 2023, being the Last Trading Day;
- (c) a premium of approximately 58.66% over the average of the closing prices of the H Shares as quoted on the Hong Kong Stock Exchange for the five consecutive trading days up to and including the Last Trading Day of HK\$11.03 per H Share;
- (d) a premium of approximately 63.70% over the average of the closing prices of the H Shares as quoted on the Hong Kong Stock Exchange for the ten consecutive trading days up to and including the Last Trading Day of HK\$10.69 per H Share;
- (e) a premium of approximately 67.30% over the average of the closing prices of the H Shares as quoted on the Hong Kong Stock Exchange for the 30 consecutive trading days up to and including the Last Trading Day of HK\$10.46 per H Share;
- (f) a premium of approximately 64.17% over the average of the closing prices of the H Shares as quoted on the Hong Kong Stock Exchange for the 60 consecutive trading days up to and including the Last Trading Day of HK\$10.66 per H Share;
- (g) a premium of approximately 65.09% over the average of the closing prices of the H Shares as quoted on the Hong Kong Stock Exchange for the 90 consecutive trading days up to and including the Last Trading Day of HK\$10.60 per H Share; and
- (h) a premium of approximately 2.58% over the audited consolidated net asset value of approximately RMB15.24 (equivalent to approximately HK\$17.06) per Share (based on (i) the audited consolidated net asset value attributable to the shareholders of the Company as stated in the annual report of the Company for the year ended 31 December 2022 published on 24 April 2023; (ii) 3,254,007,000 Shares in issue as at the date of this announcement; and (iii) the exchange rate of HK\$1: RMB0.89327, being the median exchange rate on 30 December 2022 as announced by the People's Bank of China.



## **Highest and lowest H Share prices**

During the six-month period immediately preceding 29 March 2023 (being the commencement date of the Offer Period under the Takeovers Code) up to and including the last trading day prior to publication of this announcement, the highest and lowest closing prices of the H Shares as quoted on the Hong Kong Stock Exchange was HK\$16.16 per H Share on 5 May 2023 and HK\$9.35 per H Share on 31 October 2022, respectively.

## **Value of the H Share Buy-back Offer**

As at the date of this announcement, the Company has 326,007,000 H Shares in issue. The H Share Buy-back Offer will be extended to all H Shareholders in accordance with the Takeovers Code.

Based on the Offer Price of HK\$17.50 per Offer Share, and assuming that the H Share Buy-back Offer is accepted in full, the value of the H Share Buy-back Offer will be approximately HK\$5,705,122,500.

## **Financial resources available to the Company**

The Company intends to finance the consideration for the full acceptance of the H Share Buy-back Offer of HK\$5,705,122,500 by internal resources.

CICC, being the financial adviser to the Company in respect of the H Share Buy-back Offer and the Voluntary Withdrawal of Listing, is satisfied that sufficient financial resources are available to the Company to satisfy the consideration payable by the Company for the full acceptance of the H Share Buy-back Offer.

## **Conditions of the H Share Buy-back Offer and the Voluntary Withdrawal of Listing**

The H Share Buy-back Offer and the Voluntary Withdrawal of Listing will be subject to the following Conditions being fulfilled:

- (a) the passing of the resolution to be proposed at the H Shareholders Class Meeting for approving the H Share Buy-back Offer and the Voluntary Withdrawal of Listing, **provided that-**
  - (i) the resolution is approved (by way of poll) by at least 75% of the votes attaching to all the H Shares held by the Independent H Shareholders that are voted either in person or by proxy at the H Shareholders Class Meeting; and
  - (ii) the number of votes cast (by way of poll) by the Independent H Shareholders present and voting either in person or by proxy at the H Shareholders Class Meeting against the resolution is not more than 10% of the votes attaching to all the H Shares held by the Independent H Shareholders;

- (b) (if required) the passing of the resolution to be proposed at the Non-H Shareholders Class Meeting for approving the H Share Buy-back Offer and the Voluntary Withdrawal of Listing, **provided that** the resolution must be approved (by way of poll) by at least two-thirds (2/3) of the votes attaching to all the B Shares and the Domestic Shares held by the B Shareholders and the holder of Domestic Shares that are voted either in person or by proxy at the Non-H Shareholders Class Meeting;
- (c) the passing of the resolution to be proposed at the EGM for approving the H Share Buy-back Offer and the Voluntary Withdrawal of Listing, **provided that** the resolution must be approved (by way of poll) by at least two-thirds (2/3) of the votes attaching to all the Shares held by the Shareholders that are voted either in person or by proxy at the EGM;
- (d) minimum valid acceptances of the H Share Buy-back Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the First Closing Date (or such later time and date as the Company may, subject to the Takeovers Code, decide) amounting to at least 90% of the H Shares held by the Independent H Shareholders;
- (e) the granting by the Executive of (i) the waiver for the Company from strict compliance with the requirement to compulsorily acquire H Shares that are not tendered for acceptance under the H Share Buy-back Offer under Rule 2.2(c) of the Takeovers Code and (ii) the waiver for the Company's obligation to make a comparable offer to the B Shareholders and the holder of Domestic Shares under Rule 14 of the Takeovers Code;
- (f) the registration with SAFE in relation to the H Share Buy-back Offer remains in full force and effect;
- (g) all necessary authorisations, consents and approvals (including approval in-principle) of any governmental or regulatory body in relation to the H Share Buy-back Offer (including its implementation) (if applicable) having been obtained and remaining in full force and effect pursuant to the provision of any laws or regulations in the PRC and other relevant jurisdictions; and
- (h) the compliance by the Company with the Listing Rules, the Takeovers Code, the Share Buy-backs Code, the statutory laws of Hong Kong and the PRC applicable to the H Share Buy-back Offer and the Voluntary Withdrawal of Listing.

None of the above Conditions is waivable and as at the date of this announcement, to the exception of Condition (f) above to the extent that such registration has been completed, none of the other Conditions has been fulfilled.

The Company is not aware of any necessary authorisations, consents and approvals of any governmental or regulatory body required in relation to the H Share Buy-back Offer at the date of this announcement, save as disclosed in Conditions (e) and (f) above.

In respect of Condition (h) above, as at the date of this announcement, the Directors are not aware of any non-compliance by the Company with the Listing Rules, the Takeovers Code, the Share Buy-backs Code and any statutory laws of Hong Kong and the PRC that are applicable to the H Share Buy-back Offer and the Voluntary Withdrawal of Listing.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Company should not invoke any of the Conditions (other than Condition (d) above) so as to cause the H Share Buy-back Offer to lapse unless the circumstances which give rise to the right to invoke any such Condition are of material significance to the Company in the context of the H Share Buy-back Offer.

Pursuant to Rule 15.5 of the Takeovers Code, the latest time at which the Company can declare the H Share Buy-back Offer unconditional as to acceptances is 7:00 p.m. on the 60th day after the posting of the Offer Document (or such later date to which the Executive may consent).

**Pursuant to the “Decision of the State Council to Repeal Certain Administrative Regulations and Documents” (《國務院關於廢止部分行政法規和文件的決定(中華人民共和國國務院令 第758號)》) issued by the State Council of the PRC on 14 February 2023 and the “Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies” (《境內企業境外發行證券和上市管理試行辦法》) and related guidelines issued by the China Securities Regulatory Commission on 17 February 2023, the Company is required to conform its articles of association to a new set of standard. In the event that the Hong Kong Stock Exchange has effected the required amendments to the Listing Rules and the Company has effected the required amendments to its articles of association according to the new standard, Condition (b) above will no longer be applicable. The Company will update its Shareholders and potential investors once the amendment is effective as and when appropriate.**

### **DS Irrevocable Undertaking**

As at the date of this announcement, the Controlling Shareholder holds:

- (a) 1,600,000,000 unlisted Domestic Shares (representing 100% of all the unlisted Domestic Shares in issue, approximately 54.64% of all the unlisted Domestic Shares and B Shares in issue and approximately 49.17% of the total issued share capital of the Company); and
- (b) (through Yitai (Group) Hong Kong, its wholly-owned subsidiary) 312,000,000 B Shares (representing approximately 10.66% of all the unlisted Domestic Shares and B Shares in issue and approximately 9.59% of the total issued share capital of the Company).

Pursuant to the DS Irrevocable Undertaking, the Controlling Shareholder and Yitai (Group) Hong Kong have irrevocably and unconditionally undertaken to the Company that, amongst others:

- (a) No comparable offer has to be extended to each of the Controlling Shareholder and Yitai (Group) Hong Kong if the H Share Buy-back Offer is made by the Company and even if such comparable offer is extended to each of the Controlling Shareholder and Yitai (Group) Hong Kong, they will not accept such offer;
- (b) they will vote in favour of the resolutions to be proposed at the Non-H Shareholders Class Meeting (if required) and the EGM for approving the H Share Buy-back Offer and the Voluntary Withdrawal of Listing; and
- (c) they will not sell, transfer, impose any encumbrance over, or grant to any third party any rights attaching to any Shares held by them and will not otherwise deal in the securities of the Company without the Company's prior written consent.

Given that the Controlling Shareholder and Yitai (Group) Hong Kong have entered into the DS Irrevocable Undertaking, no comparable offer will be made to each of the Controlling Shareholder and Yitai (Group) Hong Kong and the Company has applied to the Executive for a waiver from the requirements under Rule 14 of the Takeovers Code. The Executive has indicated that it is minded to grant such a waiver as at the date of this announcement.

### **Effect of accepting the H Share Buy-back Offer**

Subject to the H Share Buy-back Offer becoming unconditional, by accepting the H Share Buy-back Offer, the relevant H Shareholder will be deemed to warrant that all Offer Shares to be sold by such person under the H Share Buy-back Offer are fully paid and free from all Encumbrances and together with all rights and benefits attaching thereto on or after the date on which the H Share Buy-back Offer is made, including the right to receive in full all dividends and other distributions declared, if any, the record date of which falls on or after the date on which the H Share Buy-back Offer is made (i.e. the date of despatch of the Offer Document).

Acceptance of the H Share Buy-back Offer will be irrevocable and will not be capable of being withdrawn, except in compliance with Rule 17 of the Takeovers Code, which provides that an acceptor of the H Share Buy-back Offer shall be entitled to withdraw its/his/her acceptance after twenty-one (21) days from the First Closing Date, if the H Share Buy-back Offer has not by then become unconditional as to acceptances.

### **Closing date of the H Share Buy-back Offer**

Once all Conditions have been satisfied, the H Share Buy-back Offer will be declared unconditional in all respects and the H Share Buy-back Offer shall remain open for acceptance for at least 28 days in compliance with the Note to Rule 2.2 and Rule 15.3 of the Takeovers Code before the H Share

Buy-back Offer is closed in order to allow sufficient time for those H Shareholders who have not initially accepted the H Share Buy-back Offer to accept the H Share Buy-back Offer or to process the transfer of their H Shares.

### **Settlement**

Subject to the H Share Buy-back Offer having become, or having been declared, unconditional in all respects, payment in cash in respect of acceptances of the H Share Buy-back Offer will be made as soon as possible but in any event, within seven (7) business days (being a day on which the Hong Kong Stock Exchange is open for the transaction of business) following the later of the date on which (i) the H Share Buy-back Offer becomes, or are declared unconditional in all respects, and (ii) the duly completed acceptances of the H Share Buy-back Offer and the relevant documents of title of the Offer Shares in respect of such acceptances are received by or for the Company to render each such acceptance complete and valid.

No fractions of a cent (HK\$) will be payable, and the amount of the consideration payable to a H Shareholder who accepts the H Share Buy-back Offer will be rounded up to the nearest cent (HK\$).

### **Hong Kong stamp duty**

The seller's Hong Kong ad valorem stamp duty arising in connection with acceptances of the H Share Buy-back Offer will be payable by the relevant H Shareholders at a rate of 0.13% of the higher of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Company in respect of the relevant acceptances of the H Share Buy-back Offer, and will be deducted from the amount payable by the Company to the relevant H Shareholders on acceptance of the H Share Buy-back Offer.

The Company will arrange for payment of the seller's Hong Kong ad valorem stamp duty on behalf of the relevant H Shareholders accepting the H Share Buy-back Offer and will pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the H Share Buy-back Offer and the transfer of the Offer Shares.

### **Taxation advice**

H Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the H Share Buy-back Offer. None of the Company, the Directors, parties acting in concert with any of them, CICC and their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the H Share Buy-back Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the H Share Buy-back Offer.

## **Overseas H Shareholders**

The Company intends to make the H Share Buy-back Offer available to all H Shareholders, including the Overseas H Shareholders. However, the H Share Buy-back Offer is in respect of securities of a company incorporated in the PRC and is subject to the procedural and disclosure requirements of Hong Kong which may be different from other jurisdictions. The availability of the H Share Buy-back Offer to any Overseas H Shareholders may be affected by the applicable laws and regulations of their relevant jurisdictions of residence. Overseas H Shareholders' participation in the H Share Buy-back Offer may be subject to, and may be limited by, the laws and regulations of their respective jurisdictions in connection with their participation in the H Share Buy-back Offer. Overseas H Shareholders and beneficial owners of the H Shares who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements and, where necessary, seek their own legal advice in respect of the H Share Buy-back Offer.

It is the responsibility of the Overseas H Shareholders and overseas beneficial owners of the H Shares who wish to accept the H Share Buy-back Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the H Share Buy-back Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due in respect of such jurisdictions). Acceptance by any Overseas H Shareholders and overseas beneficial owners of the H Shares will be deemed to constitute a representation and warranty from such Overseas H Shareholders or overseas beneficial owners of the H Shares, as applicable, to the Company and CICC that the local laws and requirements have been complied with. Overseas H Shareholders and overseas beneficial owners of the H Shares should consult their professional advisers if in doubt.

## **SHAREHOLDING STRUCTURE OF THE COMPANY**

The shareholding table below sets forth the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon completion of the H Share Buy-back Offer, based on public information available to the Company as at the date of this announcement and assuming that the H Share Buy-back Offer is accepted in full and there will be no other change to the shareholding of the Company from the date of this announcement up to the closing of the H Share Buy-back Offer:

	As at the date of this announcement			Upon closing of the H Share Buy-back Offer		
	Class of Shares	No. of Shares	Approximate % of the relevant class of share capital of the Company (%)	Approximate % in the total share capital of the Company (%)	No. of Shares	Approximate % in the total share capital of the Company (%)
<b>Independent H Shareholders</b>						
Inner Mongolia Ordos Investment Holding Group Co., Ltd	H Shares	55,443,600	17.01	1.70	-	-
Ordos Hongrui Trade Company Limited	H Shares	44,711,200	13.71	1.37	-	-
Datang International (Hong Kong) Limited	H Shares	36,062,200	11.06	1.11	-	-
Inner Mongolia Manshi Investment Group Limited	H Shares	28,321,000	8.69	0.87	-	-
Great Huazhong Energy Co. Ltd	H Shares	27,168,000	8.33	0.83	-	-
Poseidon Sports Limited	H Shares	20,017,000	6.14	0.62	-	-
Other Independent H Shareholders	H Shares	114,284,000	35.06	3.51	-	-
<b>Sub-total</b>	H Shares	<b>326,007,000</b>	<b>100</b>	<b>10.02</b>	<b>-</b>	<b>-</b>
<b>B Shareholders</b>						
Yitai (Group) Hong Kong <sup>(Note 1)</sup>	B Shares	312,000,000	23.49	9.59	312,000,000	10.66
Other B Shareholders	B Shares	1,016,000,000	76.51	31.22	1,016,000,000	34.70
<b>Sub-total</b>	B Shares	<b>1,328,000,000</b>	<b>100</b>	<b>40.81</b>	<b>1,328,000,000</b>	<b>45.36</b>
Controlling Shareholder <sup>(Note 2)</sup>	Domestic Shares	1,600,000,000	100	49.17	1,600,000,000	54.64
<b>Total</b>		<b>3,254,007,000</b>	<b>N/A</b>	<b>100</b>	<b>2,928,000,000</b>	<b>100</b>

*Notes:*

- As at the date of this announcement, Yitai (Group) Hong Kong is a wholly-owned subsidiary of the Controlling Shareholder.
- As at the date of this announcement, Inner Mongolia Yitai Investment Co., Ltd. holds 99.64% of the registered capital in the Controlling Shareholder. Certain directors of the Company control certain voting rights in Inner Mongolia Yitai Investment Co., Ltd.. Such control of voting rights does not result in interests in the Shares required to be disclosed under Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).
- CICC is the financial adviser to the Company in respect of the H Share Buy-back Offer and the Voluntary Withdrawal of Listing. Accordingly, CICC and members of the CICC group are presumed to be acting in concert with the Company in respect of shareholdings of the CICC group in the Company in accordance with class (5) of the definition of “acting in concert” under the Takeovers Code, excluding the Shares held on behalf of non-discretionary investment clients (for the avoidance of doubt, members

of the CICC group which are exempt principal trader(s) or exempt fund manager(s), in each case recognised by the Executive as such for the purposes of the Takeovers Code and connected for the sole reason that they are under the same control as CICC, are not considered to be acting in concert with the Company). As at the date of this announcement, (i) except for Shares held on behalf of non-discretionary investment clients and Shares held by member(s) of the CICC group acting in the capacity of exempt principal trader(s) and/or exempt fund manager(s), members of the CICC group did not own or control any Shares or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company; and (ii) the Shares held by exempt principal trader(s) of the CICC group include 312,000,000 B Shares held by a member of the CICC group acting as a simple custodian for and on behalf of Yitai (Group) Hong Kong on a non-discretionary basis. Notwithstanding the above, Shares held by any such exempt principal traders will not be voted at the H Shareholders Class Meeting unless the Executive allows such Shares to be so voted.

The Executive may allow such voting if:

- (a) such member of the CICC group holds the relevant Shares as a simple custodian for and on behalf of non-discretionary clients;
- (b) there are contractual arrangements in place between such member of the CICC group and such non-discretionary client that strictly prohibit such member of the CICC group from exercising any voting discretion over such Shares;
- (c) all voting instructions shall originate from such non-discretionary client only (if no instructions are given, then no votes shall be cast for such Shares held by such member of the CICC group); and
- (d) such non-discretionary client is not a concert party of the Company.

4. The percentage figures are subject to rounding adjustments and may not add up to 100%.

As at the date of this announcement, save as disclosed in the shareholding table above, the Company has no outstanding securities, options, warrants or derivatives which are convertible into or which may confer any rights to the holder(s) thereof to subscribe for, convert or exchange into Shares, or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code).

### **Interest in the Company of the Concert Parties**

As at the date of this announcement, the Directors and parties acting in concert with any of them do not hold, own, control or have direction over any Shares or voting rights of the Company or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code).

As at the date of this announcement, save for the shareholdings of the Controlling Shareholder and Yitai (Group) Hong Kong as disclosed in the paragraph headed “Shareholding structure of the Company” above, the Company and parties acting in concert with it do not hold, own, control or have direction over any Shares or voting rights of the Company or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code).



## **REASONS FOR THE H SHARE BUY-BACK OFFER**

The Board believes that the H Share Buy-back Offer and the Voluntary Withdrawal of Listing is in the interest of the Company and the Shareholders as a whole on the following bases:

- (a) the low trading volume and limited liquidity of the H Shares, which creates difficulty for the Company to effectively conduct fund raising exercise in the Hong Kong Stock Exchange;
- (b) the H Share Buy-back Offer, if materialised, will result in an one-off investment gain for the accepting H shareholders; and
- (c) the delisting of the H Shares, if materialised, will allow the Company to save costs and expenses associated with regulatory compliance of its listing of H Shares.

## **INTENTION OF THE COMPANY**

The Company intends to buy-back all H Shares in issue and withdraw the listing of its H Shares from the Hong Kong Stock Exchange pursuant to the H Share Buy-back Offer. The Company intends to maintain the listing status of the B Shares on the Shanghai Stock Exchange.

It is the intention of the Company that, after the delisting of the H Shares, (i) the Group will continue to carry on its current business, which principally comprises coal operations, transportation operations, coal related chemical operations and other operations; (ii) the Company will not introduce any major changes to the business of the Group (including any redeployment of fixed assets of the Group) in the foreseeable future; and (iii) the Company will not make any significant changes to the continued employment of the employees of the Group as a result of the implementation of the H Share Buy-back Offer or the Voluntary Withdrawal of Listing.

### **Withdrawal of listing of the H Shares**

Upon the H Share Buy-back Offer becoming unconditional, the Company will make an application for the listing of the H Shares to be withdrawn from the Hong Kong Stock Exchange in accordance with Rule 6.15 of the Listing Rules.

H Shareholders will be notified by way of an announcement of the last day of dealings in the H Shares and the date on which the withdrawal of the listing of the H Shares on the Hong Kong Stock Exchange will become effective.

### **No right of compulsory acquisition**

**The Company has no rights under the laws of the PRC and the articles of association of the Company to compulsorily acquire the H Shares that are not tendered for acceptance pursuant to the H Share Buy-back Offer. Accordingly, Independent H Shareholders are reminded that if they do not accept the H Share Buy-back Offer, and if the H Share Buy-back Offer**

subsequently becomes unconditional in all respects and the H Shares are delisted from the Hong Kong Stock Exchange, this will result in the Independent H Shareholders holding unlisted H Shares and the liquidity of the H Shares may be severely reduced. In addition, the Company will no longer be subject to the requirements under the Listing Rules and may or may not continue to be subject to the Takeovers Code (depending on whether it remains as a public company in Hong Kong under the Takeovers Code) after the completion of the H Share Buy-back Offer, and the rights of Independent H Shareholders to certain information of the Company will be reduced.

Shareholders should also note that if they do not agree to the terms of the H Share Buy-back Offer, they can vote against the H Share Buy-back Offer and the Voluntary Withdrawal of Listing at the H Shareholders Class Meeting, Non-H Shareholders Class Meeting (if required) and/or the EGM (as the case may be). If more than 10% of the votes attaching to all the H Shares held by the Independent H Shareholders are voted against the H Share Buy-back Offer and the Voluntary Withdrawal of Listing at the H Shareholders Class Meeting, the H Share Buy-back Offer would lapse and the H Shares would remain listed on the Hong Kong Stock Exchange.

The Company has applied to the Executive for a waiver from the requirements under Rule 2.2(c) of the Takeovers Code.

## INFORMATION ON THE COMPANY

The Company is a joint stock limited liability company incorporated in the PRC on 23 September 1997, which is the largest local coal enterprise in the Inner Mongolia Autonomous Region and one of the large-scale coal enterprises in the PRC. The principal businesses of the Company include coal production and operation, rail transportation operations, coal-related chemical operations and other operations.

Set out below is a summary of the audited consolidated financial results of the Group for the financial years ended 31 December 2021 and 2022:

	<b>For the financial year ended/as at 31 December</b>	
	<b>2021</b>	<b>2022</b>
	<i>RMB'000</i>	<i>RMB'000</i>
	(audited)	(audited)
Operating revenue	50,675,643	60,646,669
Profit before tax	12,671,566	15,299,780
Profit attributable to the owners of the Company	8,643,453	10,975,355
Net assets attributable to shareholders of the listed company	40,867,522	49,579,783

## Other Arrangements

The Company confirms that, as at the date of this announcement:

- (i) none of the Directors and their respective concert parties owns, holds or has control or direction over any voting rights or rights over the Shares or convertible securities, warrants, options or derivatives of the Company, and there is no outstanding derivative in respect of the securities in the Company which is owned, controlled or directed by, or has been entered into by the Directors or any of their respective concert parties;
- (ii) save for the DS Irrevocable Undertaking, there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the Shares which might be material to the H Share Buy-back Offer;
- (iii) save for the DS Irrevocable Undertaking, the Company or any parties acting in concert with it has not received any irrevocable commitment to accept or reject the H Share Buy-back Offer, or to vote in favour of the resolutions at the H Shareholders' Class Meeting, the Non-H Shareholders' Class Meeting (if required) and/or the EGM;
- (iv) there is no agreement or arrangement to which the Company is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the H Share Buy-back Offer;
- (v) there are no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Company, any of the Directors or any of their respective concert parties has borrowed or lent;
- (vi) save for the consideration for the H Share Buy-back Offer, there is no other consideration, compensation or benefits in whatever form provided (or to be provided) by the Company or any of its concert parties to any Shareholder in connection with the H Share Buy-back Offer;
- (vii) there is no understanding, arrangement or agreement which constitutes a special deal (as defined under Rule 25 of the Takeovers Code) between:
  - (a) (i) the Company or any of its concert parties on one hand and (ii) the Shareholders on the other hand; and
  - (b) (i) the Company, its subsidiaries or associated companies on one hand and (ii) the Shareholders on the other hand.

## **DISCLOSURE OF DEALINGS**

The associates of the Company (as defined in the Takeovers Code and including a person who owns or controls 5% or more of any class of the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company) are reminded to disclose their dealings in any securities of the Company under Rule 22 of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code (capitalized terms in the text reproduced below shall have the meanings ascribed to them under the Takeovers Code):

*“Responsibilities of stockbrokers, banks and other intermediaries*

*Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.*

*This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.*

*Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”*

“Executive” referred to above has the meaning ascribed to it under the Takeovers Code.

### **Dealing and interest in the Company’s securities**

The Directors and parties acting in concert with any of them had not dealt in any Shares or any options, warrants, derivatives or securities convertible into Shares or other derivatives in respect of securities in the Company during the six-month period immediately prior to the commencement of the Offer Period.

The Company and parties acting in concert with it had not dealt in any Shares or any options, warrants, derivatives or securities convertible into Shares or other derivatives in respect of securities in the Company during the six-month period immediately prior to the commencement of the Offer Period.

## **APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

The Company has appointed Gram Capital as the Independent Financial Adviser to advise the Independent H Shareholders in connection with the H Share Buy-back Offer and the Voluntary Withdrawal of Listing.

Pursuant to Rule 3.3 of the Share Buy-backs Code, as no Directors will be considered as independent in respect of the H Share Buy-back Offer and the Voluntary Withdrawal of Listing, no independent board committee will be formed for the purpose of the H Share Buy-back Offer and the Voluntary Withdrawal of Listing.

## **DESPATCH OF THE OFFER DOCUMENT**

The Offer Document (accompanied with the form of acceptance and proxy forms), containing, among other things, (i) the terms and conditions of the H Share Buy-back Offer and the Voluntary Withdrawal of Listing; (ii) the expected timetable of the H Share Buy-back Offer and the Voluntary Withdrawal of Listing; and (iii) a letter of advice from the Independent Financial Adviser to the Independent H Shareholders in connection with the H Share Buy-back Offer and the Voluntary Withdrawal of Listing, will be despatched to the Shareholders within twenty-one (21) days of the date of this announcement or such later date as the Executive may approve.

Further announcement(s) regarding the despatch of the Offer Document will be made by the Company as and when appropriate.

## **ADDITIONAL QUESTIONS**

If Shareholders and potential investors have any questions concerning the H Share Buy-back Offer and/or the Voluntary Withdrawal of Listing, Shareholders and potential investors may direct the questions to He Peixun (Board Secretary of the Company, Telephone: +86 477 8565732; Email: hepeixun@ir-yitaicoal.com) or Li Yuejia (Securities Affairs Representative of the Company, Telephone: +86 477 8565729; Email: liyuejia@ir-yitaicoal.com). The questions will be responded in a manner in compliance with the Takeovers Code (including but not limited to Note 3 to Rule 8.1 of the Takeovers Code) and/or other applicable laws and regulations.

For the avoidance of doubt, the Board Secretary of the Company and the Securities Affairs Representative of the Company cannot and will not (i) provide any information not available in the public domain nor any advice on the merits or risks of the H Share Buy-back Offer and/or the Voluntary Withdrawal of Listing or (ii) give any financial or legal advice. If you are in doubt as to any aspect of this announcement or action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

## WARNING

**H Shareholders and potential investors of the Company should note that the H Share Buy-back Offer is subject to the satisfaction of the Conditions in all respects. Accordingly, the H Share Buy-back Offer may or may not become unconditional. H Shareholders and potential investors of the Company should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their licensed securities dealers or registered institutions in securities, bank managers, solicitors, professional accountants or other professional advisers.**

**Independent H Shareholders are reminded that if they do not accept the H Share Buy-back Offer, and if the H Share Buy-back Offer subsequently becomes unconditional in all respects and the H Shares are delisted from the Hong Kong Stock Exchange, this will result in the Independent H Shareholders holding unlisted H Shares and the liquidity of the H Shares may be severely reduced. In addition, the Company will no longer be subject to the requirements under the Listing Rules and may or may not continue to be subject to the Takeovers Code (depending on whether it remains as a public company in Hong Kong under the Takeovers Code) after the completion of the H Share Buy-back Offer, and the rights of Independent H Shareholders to certain information of the Company will be reduced.**

**Shareholders should also note that if they do not agree to the terms of the H Share Buy-back Offer, they can vote against the H Share Buy-back Offer and the Voluntary Withdrawal of Listing at the H Shareholders Class Meeting, Non-H Shareholders Class Meeting (if required) and/or the EGM (as the case may be). If more than 10% of the votes attaching to all the H Shares held by the Independent H Shareholders are voted against the H Share Buy-back Offer and the Voluntary Withdrawal of Listing at the H Shareholders Class Meeting, the H Share Buy-back Offer would lapse and the H Shares would remain listed on the Hong Kong Stock Exchange.**

## DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“acting in concert”	has the meaning ascribed thereto in the Takeovers Code, and “concert parties” shall be construed accordingly
“associates”	has the same meaning ascribed to it under the Takeovers Code
“B Share(s)”	the B shares in the share capital of the Company with a par value of RMB1 each, which are traded in RMB and listed on the Shanghai Stock Exchange (stock code: 900948)
“B Shareholder(s)”	holder(s) of B Share(s)

“Board”	the board of Directors
“CICC”	China International Capital Corporation Hong Kong Securities Limited, a licensed corporation under the SFO, licensed to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities under the SFO and the financial adviser to the Company in respect of the H Share Buy-back Offer and the Voluntary Withdrawal of Listing
“Company”	Inner Mongolia Yitai Coal Co., Ltd. (內蒙古伊泰煤炭股份有限公司), a joint stock limited company incorporated in the PRC on 23 September 1997, whose H Shares are listed on the Hong Kong Stock Exchange under the stock code of 3948 and whose B Shares are listed on the Shanghai Stock Exchange under the stock code of 900948
“Conditions”	the conditions of the H Share Buy-back Offer, as set out under the sub- paragraph headed “Conditions of the H Share Buy-back Offer and the Voluntary Withdrawal of Listing” of this announcement
“Controlling Shareholder”	Inner Mongolia Yitai Group Co., Ltd., (內蒙古伊泰集團有限公司) being the holder of 1,600,000,000 Domestic Shares (representing 100% of all the Domestic Shares in issue, approximately 54.64% of all the Domestic Shares and B Shares in issue and approximately 49.17% of the total issued share capital of the Company) and (through Yitai (Group) Hong Kong, its wholly-owned subsidiary) of 312,000,000 B Shares (representing 10.66% of all the Domestic Shares and B Shares in issue and approximately 9.59% of the total issued share capital of the Company)
"Director(s) “	director(s) of the Company
“Domestic Share(s)”	the unlisted domestic shares in the share capital of the Company with a par value of RMB1 each
“DS Irrevocable Undertaking”	the deed of irrevocable undertaking given by the Controlling Shareholder and Yitai (Group) Hong Kong in favour of the Company and entered into on 9 May 2023

“EGM”	the extraordinary general meeting of the Company to be convened, and any adjournment thereof, for the purpose of, among other things, considering and approving the H Share Buy-back Offer and the Voluntary Withdrawal of Listing
“Encumbrance”	any encumbrances including a charge, debenture, mortgage, pledge, deed of trust, lien, option, equity rights, power of sale, hypothecation, claim, retention of title, right of pre-emption, right of first refusal, or other third party right or security interest of any kind or an agreement or obligation to create any of the above
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“First Closing Date”	the date to be stated in the Offer Document as the first closing date of the H Share Buy-back Offer
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas-listed foreign share(s) in the share capital of the Company with a par value of RMB1 each, which are traded in Hong Kong dollars and listed on the Hong Kong Stock Exchange
“H Shareholder(s)”	holder(s) of H Shares
“H Shareholders Class Meeting”	the class meeting of the H Shareholders to be convened, and any adjournment thereof, for the purpose of approving the H Share Buy-back Offer and Voluntary Withdrawal of Listing
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“H Share Buy-back Offer”	the conditional cash offer to be made by CICC, on behalf of the Company, to buy-back all the H Shares in issue in accordance with the Takeovers Code
“Independent Financial Adviser” or “Gram Capital”	Gram Capital Limited, a licensed corporation to carry out Type 6 regulated activity under the SFO, being the independent financial adviser appointed to advise the Independent H Shareholders in respect of the H Share Buy-back Offer and the Voluntary Withdrawal of Listing



“Independent H Shareholders”	H Shareholders other than (i) the Directors and parties acting in concert with any of the Directors and the Company and (ii) any H Shareholder who has a material interest in the H Share Buy-back Offer and the Voluntary Withdrawal of Listing that is different from the interests of all other H Shareholders (as stipulated under Rule 3.2 of the Share Buy-backs Code)
“Last Trading Day”	29 March 2023, being the last trading day prior to the commencement of the Offer Period
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Non-H Shareholders Class Meeting”	the class meeting of the B Shareholders and the holder of Domestic Shares to be convened (if required) pursuant to the articles of the Company, and any adjournment thereof, for the purpose of approving the H Share Buy-back Offer and Voluntary Withdrawal of Listing
“Offer Document”	the offer document to be despatched by the Company to the Shareholders in accordance with the Takeovers Code and the Share Buy-back Code in respect of the H Share Buy-back Offer and the Voluntary Withdrawal of Listing
“Offer Period”	has the meaning ascribed to it under the Takeovers Code and has commenced from 29 March 2023, being the date of the first announcement made pursuant to Rule 3.7 of the Takeovers Code
“Offer Price”	HK\$17.50, being the price at which the H Share Buy-back Offer will be made
“Offer Share(s)”	all the H Share(s) in issue
“Overseas H Shareholders”	H Shareholder(s) whose address(es), as shown on the register of members of the Company, is/are outside Hong Kong
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan region
“RMB”	Renminbi, the lawful currency of the PRC
“SAFE”	the local bureau of the State Administration of Foreign Exchange of the PRC

“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	H Shares, B Shares and/or Domestic Shares
“Share Buy-backs Code”	the Code on Share Buy-backs
“Shareholder(s)”	holder(s) of Share(s)
“Takeovers Code”	the Code on Takeovers and Mergers
“Voluntary Withdrawal of Listing”	the proposed conditional voluntary withdrawal of listing of the H Shares from the Hong Kong Stock Exchange
“Yitai (Group) Hong Kong”	Yitai (Group) Hong Kong Co., Ltd. (伊泰(集團)香港有限公司), being the holder of 312,000,000 B Shares (representing approximately 10.66% of all the Domestic Shares and B Shares in issue and approximately 9.59% of the total issued share capital of the Company) and a wholly-owned subsidiary of the Controlling Shareholder

“%”

per cent.

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

Inner Mongolia, the PRC, 9 May 2023

*As at the date of this announcement, the executive directors of the Company are Mr. Zhang Jingquan, Mr. Liu Chunlin, Mr. Li Juncheng, Mr. Zhao Like, Mr. Yang Jialin and Mr. Bian Zhibao; and the independent non-executive directors of the Company are Mr. Wong Hin Wing, Ms. Du Yingfen and Mr. E Erdun Tao Ketao.*

*The directors of the Company jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*

\* *For identification purpose only*