

1. FURTHER INFORMATION ABOUT OUR COMPANY

(A) Incorporation

Our Company was established in the PRC as a joint stock limited liability company on September 23, 1997 with Yimei Group, being the sole promoter. Our Company has established a place of business in Hong Kong at Level 28, Three Pacific Place, 1 Queen's Road East, Hong Kong and was registered as a non-Hong Kong company in Hong Kong under Part XI of the Companies Ordinance on December 10, 2009. Susan LO Yee Har and LEE Mei Yi of Tricor Services Limited have been appointed as our agents for the acceptance of service of process in Hong Kong. As we are incorporated in the PRC, our corporate structure and Articles of Association are subject to the relevant laws and regulations of the PRC. A summary of the relevant provisions of our Articles of Association is set out in Appendix IX. A summary of certain relevant aspects of the laws and regulations of the PRC and Hong Kong is set out in Appendix VIII.

(B) Changes in the Registered capital of our Company

At the time of our establishment as the joint stock limited liability company, our registered share capital was RMB366 million divided into 200 million Domestic Shares of nominal value of RMB1 each, all of which were fully paid up and were held by Yimei Group, and 166 million B Shares of nominal value of RMB1 each, all of which were fully paid up and listed and traded on SHSE.

Pursuant to a resolution of an extraordinary meeting of our Shareholders on September 16, 2007, (i) a bonus Share issue on the basis of two bonus Shares for every ten Shares held by the then existing shareholders was approved; and (ii) a further bonus Share issue was approved by the conversion of our capital reserve fund into the share capital on the basis of eight Shares for every ten Shares held by the then existing shareholders. Thereupon, our registered capital was increased to RMB732 million divided into 400 million Domestic Shares and 332 million B Shares.

Pursuant to a resolution of an annual meeting of our Shareholders on March 19, 2010, a bonus Share issue on the basis of ten bonus Shares for every ten Shares held by the then existing shareholders was approved. Thereupon, our registered capital was increased to RMB1,464 million divided into 800 million Domestic Shares and 664 million B Shares.

Upon completion of the Global Offering, but without taking into account any H Shares which may be issued pursuant to the Over-allotment Option, our registered share capital will be increased to RMB1,626,667,000, comprising 800,000,000 Domestic Shares, 664,000,000 B Shares and 162,667,000 H Shares fully paid up or credited as fully paid up, representing approximately 49.18%, 40.82% and 10.00% of the registered share capital, respectively.

Save as aforesaid, there has been no alteration in our share capital since our establishment.

(C) Resolutions of the First Extraordinary General Meeting in 2010 and the Second Extraordinary General Meeting in 2011 in relation to the Global Offering

At the First Extraordinary General Meeting in 2010 of our Company held on May 11, 2010, among others, the following resolutions, were passed by the shareholders of our Company:

- (a) the issue by the Company of the H Shares of nominal value of RMB1.00 each up to 15% of the total issued share capital after the issuing of H Shares and such H Shares be listed on the Stock Exchange;
- (b) the granting of the Over-allotment Option;
- (c) subject to the completion of the Global Offering, the Articles of Association has been approved and adopted, which shall only become effective on the Listing Date and the Board has been authorized to amend the Articles of Association in accordance with any comments from the Stock Exchange and the PRC government.

At the Second Extraordinary General Meeting in 2011 of our Company held on August 26, 2011, among others, the following resolutions were passed by the shareholders of our Company:

- (a) the valid period of the resolution passed in the First Extraordinary General Meeting in respect of the authorizations to the Board or its authorized persons to deal with the relevant matters regarding the Listing and the Global Offering is extended to 12 months from November 11, 2011.

2. SUBSIDIARIES

Our subsidiaries (for the purpose of the Listing Rules) include all entities that are set out in Appendix IA to this Prospectus.

The following alterations in the registered capital of our subsidiaries took place during two year period preceding the date of this Prospectus:

In July 2010, Yitai Zhundong's registered capital was increased from RMB1,037.7 million to RMB1,310 million. In March 2011, the registered capital of Yitai Zhundong was increased to RMB1,496 million.

In September 2010, the registered capital of Yitai Coal-to-oil was increased from RMB873 million to RMB1,200 million. In September 2011, Yitai Coal-to-oil's registered capital was further increased to RMB1,500 million.

In February 2012, Yitai Huzhun's registered capital was further increased to RMB1,360 million.

In November 2011, the registered capital of Yitai Pharmaceutical was increased from RMB265.4 million to RMB358.4 million.

Save as disclosed in this Prospectus, there has been no alteration in the share capital of any of our subsidiaries during the two year period immediately preceding the date of this Prospectus.

3. PARTICULARS OF SUBSIDIARIES

Our principal subsidiaries are listed in the Accountants' Report set out in Appendix IA to this Prospectus.

Information regarding our subsidiaries is set out below:

1. Inner Mongolia Yitai Zhundong Railway Co., Ltd.

Equity holder and its interest:	The Company	100%
Date of establishment:	October 5, 1998	
Term of Operation:	October 5, 1998 to October 4, 2023	
Principal scope of business:	Construction of Zhundong Railway, railway transportation and auxiliary services, and repair services	
Nature:	Limited liability company	
Registered capital	RMB1,496,000,000	
Paid-up capital	RMB1,496,000,000	

2. Inner Mongolia Yitai Pharmaceutical Co., Ltd.

Equity holder and its interest:	The Company	100%
Date of establishment:	May 20, 1998	
Term of Operation:	May 20, 1998 to May 19, 2038	
Principal scope of business:	Research and development of molecule compound, technology transfer, sales of chemical industry products	
Nature:	Limited liability company	
Registered capital	RMB358,400,000	
Paid-up capital	RMB358,400,000	

3. Inner Mongolia Yitai Coal-to-oil Co., Ltd.

Equity holder and its interest:	The Company	80%
	Yitai Group	20%
Date of establishment:	March 17, 2006	
Term of Operation:	March 17, 2006 to March 16, 2056	
Principal scope of business:	Production and sale of coal chemical products (including liquefied gas, gasoline, naphtha, kerosene, diesel and tar) and the subsidiary products	
Nature:	Limited liability company	
Registered capital	RMB1,500,000,000	
Paid-up capital	RMB1,500,000,000	

4. Inner Mongolia Yitai Jingyue Suancigou Mining Co., Ltd.

Equity holder and its interest:	The Company	52%
	Jingneng Power	24%
	Shanxi Yudean	24%
Date of establishment:	September 18, 2007	
Term of Operation:	September 18, 2007 to April 29, 2013	
Principal scope of business:	Processing and sale of coal and minerals	
Nature:	Limited liability company	
Registered capital	RMB1,080,000,000	
Paid-up capital	RMB1,080,000,000	

5. Inner Mongolia Yitai Huzhun Railway Co., Ltd.

Equity holder and its interest:	The Company	76.46%
	Inner Mongolia Mengtai Buliangou Coal Co., Ltd.	21.56%
	Huhhot Railway Bureau	1.98%
Date of establishment:	February 26, 2003	
Principal scope of business:	Construction and investment of railway and ancillary facilities, railway cargo transportation, sales of construction materials and chemical industry products	
Nature:	Limited liability company	
Registered capital	RMB1,360,000,000	
Paid-up capital	RMB1,360,000,000	

6. Inner Mongolia Yitai Motor Transport Co., Ltd.

Equity holder and its interest:	The Company	100%
Date of establishment:	March 20, 2007	
Term of operation:	March 20, 2007 to March 19, 2027	
Principal scope of business:	Roadway cargo transportation	
Nature:	Limited liability company	
Registered capital	RMB5,000,000	
Paid-up capital	RMB5,000,000	

7. Ordos Yitai Motor Transport Co., Ltd.

Equity holder and its interest:	The Company	100%
Date of establishment:	December 1, 2004	
Principal scope of business:	Roadway cargo transportation	
Nature:	Limited liability company	
Registered capital	RMB38,560,000	
Paid-up capital	RMB38,560,000	

8. Inner Mongolia Yitai Tiedong Storage and Transportation Co., Ltd.

Equity holder and its interest:	The Company	51%
	Ordos Dongchen Coal Co., Ltd. (鄂爾多斯市東辰煤炭有限責任公司)	30%
	Ordos Dinghua Resources Development Co., Ltd. (鄂爾多斯市鼎華資源開發 有限責任公司)	19%
Date of establishment:	September 3, 2008	
Term of operation:	September 3, 2008 to September 2, 2028	
Principal scope of business:	Storage, transportation and sales of coal; Lease of railway station platforms	
Nature:	Limited liability company	
Registered capital	RMB123,000,000	
Paid-up capital	RMB123,000,000	

9. Huhhot Yitai Coal Sales Co., Ltd.

Equity holder and its interest:	The Company	100%
Date of establishment:	September 3, 2009	
Term of operation:	September 3, 2009 to September 2, 2039	
Principal scope of business:	Wholesale of coal	
Nature:	Limited liability company	
Registered capital	RMB50,000,000	
Paid-up capital	RMB50,000,000	

10. Yitai Yili Energy Co., Ltd.

Equity holder and its interest:	The Company	100%
Date of establishment:	September 24, 2009	
Term of operation:	September 24, 2009 to September 24, 2019	
Principal scope of business:	Production and sales of coal chemical products, development and consultation of coal and coal chemical technology	
Nature:	Limited liability company	
Registered capital	RMB100,000,000	
Paid-up capital	RMB100,000,000	

11. Inner Mongolia Yitai Chemical Co., Ltd.

Equity holder and its interest:	The Company	100%
Date of establishment:	October 29, 2009	
Term of operation:	October 29, 2009 to October 28, 2029	
Principal scope of business:	Production, storage, operation, transportation and sales of synthetized ammonia, urea, nitrogen fertilizer, nitrogen-contained compound fertilizer, nitrogen- contained inorganic salt, cryogen and other chemical products (excluding hazardous substances)	
Nature:	Limited liability company	
Registered capital	RMB100,000,000	
Paid-up capital	RMB100,000,000	

12. Yitai Xinjiang Zhundong Energy Co., Ltd.

Equity holder and its interest:	The Company	100%
Date of establishment:	August 9, 2010	
Term of operation:	August 9, 2010 to August 8, 2030	
Principal scope of business:	Coal and coal chemical technology development and consulting	
Nature:	Limited liability company	
Registered capital	RMB100,000,000	
Paid-up capital	RMB100,000,000	

13. Zhungeer Huzhun Ruyi Logistics Co., Ltd.

Equity holder and its interest:	Yitai Huzhun	51%
	Zhungeer Guanniuju Cargo Transportation and Trading Co., Ltd.	49%
Date of establishment:	July 10, 2009	
Term of Operation:	July 10, 2009 to July 9, 2029	
Principal scope of business:	Cargo storage and loading, rail transport agency service	
Nature:	Limited liability company	
Registered capital	RMB1,000,000	
Paid-up capital	RMB1,000,000	

14. Inner Mongolia Yitai Zhundong Jintai Storage and Transportation Co., Ltd.		
Equity holder and its interest:	Inner Mongolia Yitai Zhundong Railway Co., Ltd.	51%
	Inner Mongolia Jintai Coal Group Co., Ltd.	49%
Date of establishment:	April 15, 2011	
Term of operation:	April 15, 2011 to April 14, 2061	
Principal scope of business:	Operation, lease and consultation of coal loading station	
Nature:	Limited liability company	
Registered capital	RMB 12,800,000	
Paid-up capital	RMB 12,800,000	
15. Yitai Share (Hong Kong) Co., Limited		
Equity holder and its interest:	The Company	100%
Date of establishment:	June 27, 2011	
Principal scope of business:	Coal imports and international trade	
Nature:	Limited Liability Company	
Registered share capital	US\$99,000,000	
Share capital to be taken	US\$3,000,000	
16. Yitai Pharmatech Co., Ltd.		
Equity holder and its interest:	Yitai Pharmaceutical	51%
	Mr. Liu Zhike	39%
	Mr. Feng Wenhua	10%
Date of establishment:	December 22, 2006	
Term of operation:	December 22, 2006 to December 21, 2056	
Principal scope of business:	Research and development of new small molecule compounds for medical use, technology transfer and consulting	
Nature:	Limited Liability Company	
Registered capital	RMB 10,000,000	
Paid-up capital	RMB 10,000,000	
17. Beijing Yitai Biotechnology Co., Ltd.		
Equity holder and its interest:	Yitai Pharmaceutical	100%
Date of establishment:	March 15, 2004	
Term of operation:	March 15, 2004 to March 14, 2034	
Principal scope of business:	general business	
Nature:	Limited Liability Company	
Registered capital	RMB 10,000,000	
Paid-up capital	RMB 10,000,000	
18. Inner Mongolia Yitai Oil Product Sales Co., Ltd.		
Equity holder and its interest:	Yitai Coal-to-oil	100%
Date of establishment:	January 8, 2010	
Term of operation:	January 8, 2010 to January 6, 2030	
Principal scope of business:	Sales of lubricating oil	
Nature:	Limited Liability Company	
Registered capital	RMB 30,000,000	
Paid-up capital	RMB 30,000,000	

19. Yitai Hami Energy Co., Ltd.

Equity holder and its interest:	The Company	100%
Date of establishment:	January 13, 2012	
Term of Operation:	January 13, 2012 to January 12, 2032	
Principal scope of business:	The processing and sales of minerals, and the sales of coal chemical products	
Nature:	Limited Liability Company	
Registered capital:	RMB 10,000,000	
Paid-up capital:	RMB 10,000,000	

20. Yitai Xinjiang Energy Co., Ltd.

Equity holder and its interest:	The Company	90%
	Yitai Group	10%
Date of establishment:	February 16, 2012	
Term of Operation:	from February 16, 2012	
Principal scope of business:	Consulting Service of coal chemical technology and coal technology	
Nature:	Limited Liability Company	
Registered capital:	RMB 100,000,000	
Paid-up capital:	RMB 100,000,000	

21. Yitai Yili Mining Co., Ltd.

Equity holder and its interest:	The Company	90%
	Yitai Group	10%
Date of establishment:	March 13, 2012	
Term of Operation:	March 13, 2012 to March 12, 2062	
Principal scope of business:	Investment in the coal mining industry	
Nature:	Limited Liability Company	
Registered capital:	RMB 50,000,000	
Paid-up capital:	RMB 50,000,000	

4. FURTHER INFORMATION ABOUT OUR BUSINESS**(A) Summary of our material contracts**











We have entered into the following contracts (not being contracts entered into in the ordinary course of business) within two years preceding the date of this Prospectus which are or may be material:











- (a) the Assets Transfer Agreement;
- (b) a trademarks license agreement dated May 29, 2012 entered into between our Company as licensee and Yitai Group as licensor in respect of the licensing of certain trademarks of Yitai Group at a nominal consideration of RMB1.0 per year, further details of which are set out in "Connected Transactions — Continuing Connected Transaction — Exempt continuing connected transaction — 1 Trademarks License Agreement" in this prospectus;
- (c) an equity transfer agreement dated April 20, 2011 entered into between our Company and SDIC Asset Management Co., Ltd. (國投資產管理公司) pursuant to which SDIC Asset Management Co., Ltd. agreed to sell to our company 4.14% equity interests in Yitai Pharmaceutical for a consideration of RMB500,000;
- (d) an equity transfer agreement dated June 23, 2010 entered into between our Company and Inner Mongolia Ruyi Co., Ltd. (內蒙古如意實業股份有限公司) pursuant to which Inner Mongolia Ruyi Co., Ltd. agreed to sell to our Company 4% equity interests in Yitai Zhundong for a consideration of RMB108,750,153;

- (e) the Non-competition Agreement;
- (f) the Hong Kong Underwriting Agreement;
- (g) an underwriting agreement dated June 22, 2012 entered into between our Company and CMS HK, pursuant to which CMS HK has agreed with a hard underwriting commitment of up to US\$100 million;
- (h) a cornerstone investment agreement dated June 26, 2012 entered into between our Company, the Joint Bookrunners, Baosteel Resources International Co., Ltd., pursuant to which Baosteel Resources International Co., Ltd. has agreed to subscribe for such number of H Shares (rounded down to the nearest whole board lot) which may be purchased with an aggregate amount of US\$29.7 million at the Offer Price;
- (i) a cornerstone investment agreement dated June 26, 2012 entered into between our Company, the Joint Bookrunners, Datang International (Hong Kong) Limited, pursuant to which Datang International (Hong Kong) Limited has agreed to subscribe for such number of H Shares (rounded down to the nearest whole board lot) which may be purchased with an aggregate amount of US\$100 million at the Offer Price;
- (j) a cornerstone investment agreement dated June 26, 2012 entered into between our Company, the Joint Bookrunners, Inner Mongolia Man Shi Investment Group Limited (內蒙古滿世投資集團有限公司), pursuant to which Inner Mongolia Man Shi Investment Group Limited has agreed to subscribe for such number of H Shares (rounded down to the nearest whole board lot) which may be purchased with an aggregate amount of RMB500 million at the Offer Price;
- (k) a cornerstone investment agreement dated June 26, 2012 entered into between our Company, the Joint Bookrunners, King Link Holding Limited, pursuant to which King Link Holding Limited has agreed to subscribe for such number of H Shares (rounded down to the nearest whole board lot) which may be purchased with an aggregate amount of US\$30 million at the Offer Price;
- (l) a cornerstone investment agreement dated June 26, 2012 entered into between our Company, the Joint Bookrunners, Lion Fund Rainbow No.1 Investment Mandate, pursuant to which Lion Fund Rainbow No.1 Investment Mandate has agreed to subscribe for such number of H Shares (rounded down to the nearest whole board lot) which may be purchased with an aggregate amount of US\$20 million (including relevant brokerage and levies) at the Offer Price;
- (m) a cornerstone investment agreement dated June 26, 2012 entered into between our Company, the Joint Bookrunners, Ordos Vanzip Project Construction Company Limited (鄂爾多斯市萬正建設工程有限責任公司), pursuant to which Ordos Vanzip Project Construction Company Limited has agreed to subscribe for such number of H Shares (rounded down to the nearest whole board lot) which may be purchased with an aggregate amount of RMB500 million at the Offer Price; and
- (n) a cornerstone investment agreement dated June 26, 2012 entered into between our Company, the Joint Bookrunners, Reignwood International Investment (Group) Co., Ltd., pursuant to which Reignwood International Investment (Group) Co., Ltd. has agreed to subscribe for such number of H Shares (rounded down to the nearest whole board lot) which may be purchased with an aggregate amount of US\$50 million at the Offer Price.

(B) Our intellectual property rights

Pursuant to a trademarks license agreement as set out in “Connected Transaction — Continuing Connected Transaction — 1 Trademarks License Agreement,” our Group has been granted the license to use certain trademarks including but not limited to the following material trademarks:

Trademark	Registered Owner	Class	Place of Registration/ Applicant	Registration Number	Expiry
	Yitai Group	39	PRC	3183773	September 6, 2013
	Yitai Group	4	PRC	3183774	August 27, 2013
	Yitai Group	5	PRC	3183775	August 27, 2013
	Yitai Group	39	PRC	3845848	July 20, 2016
	Yitai Group	39	PRC	3845868	May 13, 2016
	Yitai Group	39	PRC	3845869	May 13, 2016
	Yitai Group	4	PRC	3845876	August 6, 2015
	Yitai Group	4	PRC	3845877	August 6, 2015
	Yitai Group	4	PRC	3845878	August 6, 2015
	Yitai Group	4	PRC	3845879	August 6, 2015
	Yitai Group	4	PRC	3845880	August 6, 2015
	Yitai Group	4	PRC	3845914	August 6, 2015
	Yitai Group	4	PRC	3845915	August 6, 2015
	Yitai Group	39	PRC	3846008	July 20, 2016
	Yitai Group	4	PRC	3846010	August 6, 2015

Trademark	Registered Owner	Class	Place of Registration/ Applicant	Registration Number	Expiry
	Yitai Group	4	PRC	3846011	August 6, 2015
	Yitai Group	39	PRC	3846041	May 13, 2016
	Yitai Group	39	PRC	3846042	May 13, 2016
	Yitai Group	4	PRC	5558253	October 13, 2019
	Yitai Group	3, 4, 5, 25, 43	Hong Kong	300563698AA	January 11, 2016
	Yitai Group	4	Taiwan	01225212	August 31, 2016
	Yitai Group	4	Macau	N/020711	June 9, 2013
	Yitai Group	4, 5	India	1412786	January 9, 2016
	Yitai Group	4	Malaysia	06000924	January 19, 2016
	Yitai Group	4	Korea	Kipo601585	December 2, 2014
	Yitai Group	4	Japan	4734673	April 23, 2013
	Yitai Group	4	Japan	4734672	April 23, 2013
	Yitai Group	4	Indonesia	IDM000135162	January 16, 2016
	Yitai Group	4	Philippines	4-2006-001736	March 26, 2017
	Yitai Group	4	Thailand	TM262033	March 6, 2016

As of the Latest Practicable Date, we have registered the following domain names:

<u>Domain Name</u>	<u>Place of Registration</u>	<u>Owner</u>	<u>Registration Date</u>	<u>Expiration Date</u>
www.yitai coal.com	China	The Company	March 23, 2010	March 23, 2016

Save as disclosed herein, there are no patents, trademarks or other intellectual or industrial property rights which are material in relation to our business.

5. DISCLOSURE OF INTERESTS

A. Substantial shareholders

So far as the Directors, the Supervisors and our chief executive are aware, immediately following the completion of the Global Offering and assuming the Over-allotment Option is not exercised, the following persons will have an interest or short position in the shares or underlying shares of our Company which would fall to be disclosed to us under the provisions of Divisions 2 and 3 of Part XV of the SFO or who will be directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company:

	<u>Class of Shares⁽⁴⁾</u>	<u>Number of Shares directly and indirectly held</u>	<u>Approximate percentage of share capital (%)⁽¹⁾</u>		
			<u>Direct interests</u>	<u>Indirect interests</u>	<u>Aggregate direct and indirect interests</u>
Yitai Group ⁽²⁾	Domestic Shares and B Shares	897,843,064	800,000,000	97,843,064	61.33%
Yitai Investment ⁽³⁾	Domestic Shares and B Shares	897,843,064	0	897,843,064	61.33%
Yitai HK	B Shares	97,843,064	97,843,064	0	6.69%

Notes:

- (1) The percentage shareholdings are rounded to the nearest two decimal place.
- (2) Yitai Group holds the entire registered capital of Yitai HK, which holds 97,843,064 B Shares, and is thus deemed to be interested in all of the 97,843,064 B Shares held by Yitai HK.
- (3) Yitai Investment holds 99.54% of the registered capital of Yitai Group and is thus deemed to be interested in all of the 897,843,064 Shares directly or indirectly held by Yitai Group. The equity interests of Yitai Investment are held by 31 individuals on behalf of the Employee Group. Mr. Zhang Shuangwang and his spouse beneficially own 15.01% equity interest in Yitai Investment.
- (4) According to the Articles of Association, we have two classes of shares, consisting of: (i) "non-overseas-listed-foreign shares" which include Domestic Shares and B Shares; and (ii) H Shares.

As of the Latest Practicable Date, each of the following persons or entities was directly and/or indirectly interested in 10% or more of equity interest carrying rights to vote for all matters at the general meetings of any subsidiaries of our Company:

<u>Member of our Group</u>	<u>Equity with 10% or more interest (other than us)</u>	<u>Percentage of that entity's equity interest</u>
Yitai Coal-to-oil	Yitai Group	20%
Yitai Suancangou	Jingneng Power	24%
Yitai Suancangou	Shanxi Yudean	24%
Yitai Huzhun	Inner Mongolia Mengtai Buliangou Coal Co., Ltd.	21.56%
Yitai Tiedong	Ordos Dongchen Coal Co., Ltd.	30%
Yitai Tiedong	Ordos Dinghua Resources Development Co., Ltd.	19%
Yitai Pharmatech Co., Ltd.	Liu Zhike	39%
Yitai Pharmatech Co., Ltd.	Feng Wenhua	10%
Zhungeer Huzhun Ruyi Logistics Co., Ltd.	Zhungeer Guanniujia Cargo Transportation and Trading Co., Ltd.	49%
Zhundong Jintai	Inner Mongolia Jintai Coal Group Co., Ltd	49%
Yitai Xinjiang	Yitai Group	10%
Yitai Yili Mining	Yitai Group	10%

B. Disclosure of the Directors' and Supervisors' interests in the registered capital of associated corporations of the Company

Immediately following completion of the Global Offering and assuming the Over-allotment Option is not exercised, the interests and short positions of each Director, Supervisor and chief executive of our Company in the shares, underlying shares and debentures of our Company or any associated corporation (within the meaning of Part XV of the SFO) which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or will be required, pursuant to the Model Code for Securities Transactions by Directors and Listed Issuers to be notified to us and the Stock Exchange (for this purpose, the relevant provisions of the SFO will be interpreted as if they applied to the Supervisors) will be as follows:

<u>Director/Supervisor/Chief Executive</u>	<u>Associated corporation</u>	<u>Type of Interest</u>	<u>Approximate percentage in the registered capital of the associated corporation</u>
Mr. Zhang Donghai . . .	Yitai Investment	Interest in an associated corporation	2.84% (entrusted) ⁽¹⁾
Mr. Liu Chunlin	Yitai Investment	Interest in an associated corporation	2.84% (entrusted) ⁽²⁾
Mr. Ge Yaoyong	Yitai Investment	Interest in an associated corporation	2.84% (entrusted) ⁽³⁾
Mr. Zhang Dongsheng	Yitai Investment	Interest in an associated corporation	2.84% (entrusted) ⁽⁴⁾
Mr. Li Wenshan	Yitai Investment	Interest in an associated corporation	2.84% (entrusted) ⁽⁵⁾
Mr. Kang Zhi	Yitai Investment	Interest in an associated corporation	2.84% (entrusted) ⁽⁶⁾
Mr. Zhang Xinrong	Yitai Investment	Interest in an associated corporation	2.84% (entrusted) ⁽⁷⁾
Mr. Lv Guiliang	Yitai Investment	Interest in an associated corporation	0.31%
Mr. Zhang Mingliang	Yitai Investment	Interest in an associated corporation	0.12%
Mr. Wang Sanmin	Yitai Investment	Interest in an associated corporation	0.07%
Mr. Ji Zhifu	Yitai Investment	Interest in an associated corporation	0.03%
Mr. Han Zhanchun	Yitai Investment	Interest in an associated corporation	0.03%

(1) Mr. Zhang Donghai and his spouse are beneficially interested in 1.58% of the registered capital of Yitai Investment.

(2) Mr Liu Chunlin is beneficially interested in 0.83% of the registered capital of Yitai Investment.

(3) Mr. Ge Yaoyong and his spouse are beneficially interested in 0.70% of the registered capital of Yitai Investment.

(4) Mr. Zhang Dongsheng and his spouse are beneficially interested in 0.71% of the registered capital of Yitai Investment.

(5) Mr. Li Wenshan is beneficially interested in 0.56% of the registered capital of Yitai Investment.

(6) Mr. Kang Zhi is beneficially interested in 0.36% of the registered capital of Yitai Investment.

(7) Mr. Zhang Xinrong and his spouse are beneficially interested in 0.41% of the registered capital of Yitai Investment.

Pursuant to a trust agreement entered into by 31 individuals and a group of employees of Yitai Group, the Directors, Supervisors and chief executives listed above together with other members of the 31 individuals hold the entire registered capital of Yitai Investment on behalf of a group of employees comprised of 2,300 individuals. Our PRC legal advisors opined that the trust arrangement is valid and binding under the PRC laws. For details about the trust agreement, please refer to "Relationship with Controlling Shareholders — Overview" and "Our History and Corporate Structure — Our History and Development — The Restructuring of Our Controlling Shareholders."

C. Particulars of service contracts

Each of the Directors has entered into a service contract with our Company on May 29, 2012. The principal particulars of these service agreement are (a) for a term commencing from the date of the respective service agreement and ending upon the expiry of the term of the board of Directors and (b) are subject to termination in accordance with their respective terms. The service agreements may be renewed upon expiry.

Each of the Supervisors has entered into a service contract with our Company on May 29, 2012. The principal particulars of these service agreements are (a) for a term of three years commencing from the appointment date and ending upon the expiry of the term of the Supervisory Board and (b) are subject to termination in accordance with their respective terms. The service agreements may be renewed upon expiry.

Save as disclosed above, none of the Directors or Supervisors has or is proposed to have a service contract with us other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation).

D. Directors' and Supervisors' remuneration

The aggregate amounts of remuneration paid and benefits in kind granted to our Directors and our Supervisors in respect of each of 2009, 2010 and 2011 were approximately RMB10.6 million, RMB10.9 million, and RMB11.7 million, respectively. Save as disclosed under Note 10 to the financial statements in the Accountants' Report set out in Appendix IA to this Prospectus, no Director or Supervisor received other remuneration or benefits in kind from our Company in respect of the same periods.

Under the current arrangements in force as of the date of this Prospectus, the Directors will be entitled to receive compensation (including remuneration and benefits in kind) from our Company for the year ending December 31, 2012 which is expected to be approximately RMB9.0 million in aggregate.

Under the current arrangements in force as of the date of this Prospectus, the Supervisors will be entitled to receive compensation (including remuneration and benefits in kind) from our Company for the year ending December 31, 2012 which is expected to be approximately RMB2.7 million in aggregate.

E. Personal guarantees

The Directors and Supervisors have not provided personal guarantees in favour of lenders in connection with banking facilities granted to us.

F. Agency fees or commissions received

Save as disclosed in the section headed "Underwriting" in this Prospectus, no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries within the two years ended on the date of this Prospectus.

G. Connected transactions and related party transactions

Details of the connected transactions and related party transactions of the Company are set out in the section entitled "Connected Transactions" of this Prospectus and in the Accountants' Report, the text of which is set out in Appendix IA to this Prospectus, respectively.

H. Disclaimers

Save as disclosed in this Prospectus:

- (a) none of the Directors, Supervisors or chief executive of our Company had, as of the Latest Practicable Date, any interests and short positions in the shares, underlying shares and debentures of our Company or any associated corporation (within the meaning of Part XV of the SFO) which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or will be required, pursuant to the Model Code for Securities Transactions by Directors and Listed Companies to be notified to us and the Stock Exchange, in each case once our H Shares are listed. For this purpose, the relevant provisions of the SFO will be interpreted as if they applied to the Supervisors;
- (b) save in connection with the Underwriting Agreements, none of the Directors or Supervisors nor any of the parties listed in the paragraph headed "Qualification of experts" in this Appendix is interested in our promotion, or in any assets which have, within the two years immediately preceding the issue of this Prospectus, been acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to our Company;

- (c) none of the Directors or Supervisors is a director or employee of Yitai Group or Yitai Investment, being companies which are expected to have an interest in the Shares falling to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO once the H Shares are listed on the Stock Exchange;
- (d) save in connection with the Underwriting Agreements, none of the Directors or Supervisors nor any of the parties listed in paragraph headed "Qualification of experts" in this Appendix is materially interested in any contract or arrangement subsisting at the date of this Prospectus which is significant in relation to our business;
- (e) save in connection with the Underwriting Agreements, none of the parties listed in the paragraph headed "Qualification of experts" in this Appendix:
 - (i) is interested legally or beneficially in any of our Shares or any shares in any of our subsidiaries; or
 - (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for our securities;
- (f) no cash, securities or other benefits have been paid, allotted or given within the two years preceding the date of this Prospectus to our promoters in connection with the Global Offering nor are any such cash, securities or benefits intended to be paid, allotted or given; and
- (g) none of the Directors or Supervisors or their respective associates or any shareholders of our Company (who to the knowledge of the Directors owns more than 5% of our issued share capital) has any interest in our five largest suppliers or our five largest customers.

6. OTHER INFORMATION

A. *Estate Duty*

We have been advised that no material liability for estate duty under PRC law is likely to fall upon us.

B. *Litigation*

As of the Latest Practicable Date, save as disclosed in this Prospectus, our Company is not involved in any material litigation, arbitration or administrative proceedings. So far as we are aware, no such litigation, arbitration or administrative proceedings are pending or threatened.

C. *Joint Sponsors*

Each of the Joint Sponsors has declared its independence pursuant to Rule 3A.07 of the Listing Rules.

The Joint Sponsors have made an application on our behalf to the Listing Committee of the Stock Exchange for listing of, and permission to deal in, our H Shares, including any Offer Shares which may be issued pursuant to the exercise of the Over-allotment Option. All necessary arrangements have been made enabling the H Shares to be admitted into CCASS.

D. *Preliminary expenses*

Our estimated preliminary expenses are approximately HK\$2.6 million. All preliminary expenses and all expenses relating to the Global Offering will be borne by the Company.

E. Compliance Advisers

The Company has agreed to appoint China International Capital Corporation Hong Kong Securities Limited to be the compliance advisers upon listing in compliance with Rules 3A.19 and 19A.05 of the Listing Rules. The Company expects to enter into a compliance advisers' agreement with the compliance advisers prior to the Listing Date, the material terms of which are as follows:

- (i) the Company will appoint China International Capital Corporation Hong Kong Securities Limited, as the compliance advisers for the purpose of Rule 3A.19 and 19A.05 of the Listing Rules for a period commencing on the Listing Date and ending on the date on which the Company complies with Rule 13.46 of the Listing Rules in respect of the financial results of the Company for the first full financial year commencing after the Listing Date, or until the agreement is terminated, whichever is the earlier;
- (ii) the compliance advisers will provide us with certain services, including providing us with proper guidance and advice as to compliance with the requirements under the Listing Rules and applicable laws, rules, codes and guidelines and provide advice to the Company on the continuing requirements under the Listing Rules and applicable laws and regulations;
- (iii) the compliance advisers will, as soon as reasonably practicable inform us of any amendment or supplement to the Listing Rules announced by the Stock Exchange from time to time, and of any amendment or supplement to the applicable laws and guidelines;
- (iv) the Company will agree to indemnify the compliance advisers for certain actions against the losses incurred by the compliance advisers arising out of or in connection with the performance by the compliance advisers of their duties under the agreement, or any material breach by the Company of the provisions of the agreement, provided that the indemnity will not apply to an action or loss which is finally judicially determined to have been caused by the wilful default, fraud or gross negligence on the part of the compliance advisers;
- (v) the Company may terminate the appointment of the compliance adviser if its work is of an unacceptable standard or if there is a material dispute over fees payable to the compliance adviser (which cannot be resolved within 30 days); and
- (vi) the compliance adviser will have the right to terminate their appointment by service of a notice to the Company.

F. Qualification of experts

The qualifications of the experts who have given opinions in this Prospectus are as follows:

<u>Name</u>	<u>Qualification</u>
China International Capital Corporation Hong Kong Securities Limited	Licensed under the Securities and Futures Ordinance for type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) as defined under the Securities and Futures Ordinance
BOCI Asia Limited	Licensed under the Securities and Futures Ordinance for type 1 (dealing in securities) and type 6 (advising on corporate finance) as defined under the Securities and Futures Ordinance
Ernst & Young	Certified public accountants
CBRE HK Limited	Property Valuer
Jingtian & Gongcheng Attorneys at Law	PRC Legal Advisers
John T. Boyd Company	Competent person and competent evaluator

G. Sole Promoter

Our sole promoter is Yimei Group.

H. No material adverse change

The Directors confirm that there has been no material adverse change in our financial or trading position since December 31, 2011 and that no material changes have occurred since the date of the Competent Person's Report up to the date of this Prospectus.

I. Binding effect

This Prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies Ordinance so far as applicable.

J. Bilingual Prospectus

The English language and Chinese language versions of this Prospectus are being published separately in reliance upon the exemption provided by section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

K. Miscellaneous

- (a) save as disclosed in this Prospectus, within the two years preceding the date of this Prospectus, we have not issued nor agreed to issue any share or loan capital fully or partly paid either for cash or for a consideration other than cash;
- (b) save as disclosed in this Prospectus, no share or loan capital of our Company, if any, is under option or is agreed conditionally or unconditionally to be put under option;
- (c) we have not issued nor agreed to issue any founder shares, management shares or deferred shares;
- (d) our Company has no outstanding convertible debt securities or debentures;
- (e) within the two years immediately preceding the date of this Prospectus, no commission, discount, brokerage or other special term has been granted in connection with the issue or sale of any capital of the Company;
- (f) there is no arrangement under which future dividends are waived or agreed to be waived;
- (g) there has been no interruption in our business which may have or have had a significant effect on the financial position in the last 12 months; and
- (h) we currently do not intend to apply for the status of a Sino-foreign investment joint stock limited company and do not expect to be subject to the PRC Sino-Foreign Joint Venture Law.

L. Consents

Each of the experts as referred to in the paragraph headed "Qualification of experts" in this Appendix, has given and has not withdrawn their respective written consents to the issue of this Prospectus with the inclusion of their reports and/or letters and/or valuation certificates and/or the references to their names included herein in the form and context in which they are respectively included.

M. Sufficiency of foreign exchange

For holders of our H Shares, cash dividends payments, if any, will be proposed by our Board in Renminbi and paid in Hong Kong dollars. Our Directors are of the view that we will have sufficient Hong Kong dollars to pay any cash dividends payments as they become due. For holders of our B Shares, cash dividends payments, if any, will be declared by our Board in Renminbi and paid in U.S. Dollars. For holders of our Domestic Shares, cash dividends payments, if any, will be declared by our Board and paid in Renminbi.

7. MATERIAL PROPERTIES

An Overview of Property Interests of the Group's Non-Property Activities

The material properties held by the Group in PRC as at 31 March 2012

Description and Location	Holding Entity	Use & Occupancy	Site area (sq.m.)	Gross floor area (sq.m.)	Method of Land Use	Restrictions on use	Material encumbrances	Material environmental issues	Material litigation, breaches, defects	Plans for construction, improvement in the next 12 months	Interests attributable to the Group
47 buildings and 66 structures which are erected on 3 parcels of land located in Nalinmiao Village, Narisong Town, Zhunge'er Banner, Ordos, Inner Mongolia, China	Inner Mongolia Yitai Coal Co., Ltd.	The industrial production facilities, staff quarters, office & ancillary facilities for Nalinmiao No.1 Mine	265,984.80	16,386.34	Granted land with the latest expiry date on 3 June 2059	Industrial	For 2 buildings with a total gross floor area of 560.95sq.m. without Building Ownership Certificate, the Group is applying for the relevant Building Ownership Certificates.	None	None	2 structures for ancillary facilities is in the progress. The cost of RMB 293,796 had been incurred at 31 Mar 2012.	100%
45 buildings 56 structures which are erected on 7 parcels of land located in Chuanzhang Village, Narisong Town, Zhunge'er Banner, Ordos, Inner Mongolia, China	Inner Mongolia Yitai Coal Co., Ltd.	The industrial production facilities, staff quarters, office & ancillary facilities for Nalinmiao No.2 Mine	351,677.80	26,570.21	Granted land with the latest expiry date on 30 August 2052	Industrial	For 11 buildings with a total gross floor area of 7,328.82sq.m. without Building Ownership Certificate, the Group is applying for the relevant Building Ownership Certificates.	None	None	3 structures for ancillary facilities is in the progress. The cost of RMB 3,815,100 had been incurred at 31 Mar 2012.	100%
41 buildings 52 structures which are erected on 3 parcels of land located in Hutugou Village, Narisong Town, Zhunge'er Banner, Ordos, Inner Mongolia, China	Inner Mongolia Yitai Coal Co., Ltd.	The industrial production facilities, staff quarters, office & ancillary facilities for Hongjingta No.1 Mine	266,155.50	18,429.24	Granted land with the latest expiry date on 3 June 2059	Industrial	For 2 buildings with a total gross floor area of 79.3sq.m. without Building Ownership Certificate, the Group is applying for the relevant Building Ownership Certificates.	None	None	4 structures for ancillary facilities is in the progress. The cost of RMB 5,458,342 had been incurred at 31 Mar 2012.	100%

Description and Location	Holding Entity	Use & Occupancy	Site area (sq.m.)	Gross floor area (sq.m.)	Method of Acquisition of Land Use Right/Expiry Date of Land Use	Restrictions on use	Material encumbrances	Material environmental issues	Material litigation, breaches, defects	Plans for construction, improvement in the next 12 months	Interests attributable to the Group
29 buildings and 49 structures which are erected on 3 parcels of land located in Nalinmiao Village, Narisong Town, Zhunge'er Banner, Ordos, Inner Mongolia, China	Inner Mongolia Yitai Coal Co., Ltd.	The industrial production facilities, staff quarters, office & ancillary facilities for Kaida Mine	82,366.35	9,123.41	2 parcels of granted land with the expiry date both on 13 October 2059.	Industrial	For 12 buildings with a total gross floor area of 5,955.83sq.m. without Building Ownership Certificate, the Group is applying for the relevant Building Ownership Certificates.	None	None	4 buildings and several structures for industrial production facilities and ancillary facilities is in the progress. The cost of RMB 194,253,531 had been incurred at 31 Mar 2012.	100%
							The Group have obtained the letter from the IDLR dated 19 March 2012, confirming that (i) the Group will not be penalized again for using such construction land without approval or ordered to return such land or restore such land to its original status, and buildings and other facilities on such land will not be subject to confiscation or compulsory removal; (ii) as of the date of this letter, the IDLR has not received any claim in relation to the land use right of such land from any third party, and nor will it accept any application filed by any third party other than the Company with respect to such land.				

Description and Location	Holding Entity	Use & Occupancy	Site area (sq.m.)	Gross floor area (sq.m.)	Method of Land Use Right/Expiry Date of Land Use	Restrictions on use	Material encumbrances	Material environmental issues	Material litigation, breaches, defects	Plans for construction, improvement in the next 12 months	Interests attributable to the Group
22 buildings and 16 structures which are erected on 2 parcels of land located in Nalintaogai Town, Yijinhuoluo Banner, Ordos, Inner Mongolia, China	Inner Mongolia Yitai Coal Co., Ltd.	The industrial production facilities, staff quarters, office & ancillary facilities for Fuhua Mine	32,595.86	4,091.98	2 parcels of granted land with the expiry date on 27 September 2059 and 28 December 2059 respectively.	Industrial	For 7 buildings with a total gross floor area of 1,275.97 sq.m. without Building Ownership Certificate, the Group is applying for the relevant Building Ownership Certificates.	None	None	3 buildings for ancillary facilities is in the progress. The cost of RMB 5,398,108 had been incurred at 31 Mar 2012.	100%
37 buildings and 24 structures which are erected on 2 parcels of land located in Tanggongta Village, Xuejiawan Town, Zhunge'er Banner, Ordos, Inner Mongolia, China	Inner Mongolia Yitai Coal Co., Ltd.	The industrial production facilities, staff quarters, office & ancillary facilities for Yangwangou Mine	71,344.60	8,146.60	2 parcels of granted land with the expiry date on 3 June 2059 and 9 October 2059 respectively.	Industrial	For 4 buildings with a total gross floor area of 317.97sq.m. without Building Ownership Certificate, the Group is applying for the relevant Building Ownership Certificates.	None	None	2 structures for ancillary facilities is in the progress. The cost of RMB 2,567,185 had been incurred at 31 Mar 2012.	100%
15 buildings and 53 structures which are erected on 2 parcels of land located in Zhunge'er Banner, Ordos, Inner Mongolia, China	Inner Mongolia Yitai Coal Co., Ltd.	The staff quarters, office ancillary facilities for Caoyang Road.	2,340,146.66	4,308.87	2 parcels of allocated land	Traffic	For 4 buildings with a total gross floor area of 262.44sq.m. without Building Ownership Certificate, the Group is applying for the relevant Building Ownership Certificates.	None	None	None	100%
12 buildings and 57 structures which are erected on 3 parcels of land located in Dalumao Village, Narisong Town, Zhunge'er Banner, Ordos, Inner Mongolia, China	Inner Mongolia Yitai Coal Co., Ltd.	The staff quarters, office ancillary facilities for Xiyngzi Gas Station	51,296.60	4,067.37	Granted land with the latest expiry date on June 2053	Gas station/ Office/ Residential	For 2 buildings with a total gross floor area of 290.00sq.m. without Building Ownership Certificate, the Group is applying for the relevant Building Ownership Certificates.	None	None	None	100%

Description and Location	Holding Entity	Use & Occupancy	Site area (sq.m.)	Gross floor area (sq.m.)	Method of Land Use Right/Expiry Date of Land Use	Restrictions on use	Material encumbrances	Material environmental issues	Material litigation, breaches, the next 12 months	Plans for construction, improvement in the next 12 months	Interests attributable to the Group
5 buildings and 19 structures which are erected on 1 parcel of land located in Kangbashi New District, Ordos, Inner Mongolia, China	Inner Mongolia Yitai Coal Co., Ltd.	The ancillary facilities for Kangbashi Solar Power Demonstration	89,333.78	870.64	N.A.	N.A.	The Group have not obtained the Land Ownership Certificate and the Building Ownership Certificate of the project. The Group have obtained approvals from the relevant government authorities. The Group intend to apply for ownership certificates after they obtain the land use right.	None	None	None	100%
9 buildings and 3 structures which are erected on 1 parcel of land located in Shashagetai Village, Nalintaohai Town, Yijinhuoluo Banner, Ordos, Inner Mongolia, China	Inner Mongolia Yitai Coal Co., Ltd.	The office & ancillary facilities for Baoshen Station	4,982.37	1,656.89	Granted land with the expiry date on 27 September 2059	Industrial	None	None	None	None	100%
5 structures which are erected on 1 parcel of land located in Xinmiao Town, Yijinhuoluo Banner, Ordos, Inner Mongolia, China	Inner Mongolia Yitai Coal Co., Ltd.	The ancillary facilities for Shenshan Mine	4,463.00	N.A.	Granted land with the expiry date on 27 September 2059	Industrial	None	None	None	None	100%

Description and Location	Holding Entity	Use & Occupancy	Site area (sq.m.)	Gross floor area (sq.m.)	Method of Acquisition of Land Use Right/Expiry Date of Land Use	Restrictions on use	Material encumbrances	Material environmental issues	Material litigation, breaches, defects	Plans for construction, improvement in 12 months	Interests attributable to the Group
11 buildings and 14 structures which are erected on 1 parcel of land located in Huangtian Miantu Village, Zhunge'erzhaio Town, Zhunge'er Banner, Ordos, Inner Mongolia, China	Inner Mongolia Yitai Coal Co., Ltd.	The industrial production facilities, staff quarters, office & ancillary facilities for Zhunge'erzhaio CCP and gas station	1,201,683	9,425.06	N.A.	N.A.	The Group have not obtained the Land Ownership Certificate and the Building Ownership Certificate of the project.	None	None	4 buildings and several structures for industrial production facilities and ancillary facilities is in the progress. The cost of RMB 24,236,574 had been incurred at 31 Mar 2012.	100%

Description and Location	Holding Entity	Use & Occupancy	Site area (sq.m.)	Gross floor area (sq.m.)	Method of Land Use Right/Expiry Date of Land Use	Restrictions on use	Material encumbrances	Material environmental issues	Material litigation breaches, defects	Plans for construction, improvement in the next 12 months	Interests attributable to the Group
4 buildings and 12 structures which are erected on 1 parcel of land located in Dalu New Town, Zhunge'er Banner, Ordos, Inner Mongolia, China	Inner Mongolia Yitai Coal-to-oil Co.,Ltd.	Industrial production facilities, Office & Ancillary facilities	519,350.00	6,432.13	Granted land with the expiry date on 20 September 2056	Industrial	None	None	None	1 building for ancillary facilities is in the progress. The cost of RMB 81,087,700 had been incurred at 31 Mar 2012.	80%
87 buildings and 571 structures which are erected on 1 parcel of land located in Huhhot & Ordos, Inner Mongolia, China	Inner Mongolia Yitai Huzhuh Railway Co., Ltd.	The office, staff quarters & ancillary facilities for Huzhuh Railway Line	4,914,264.00	22,349.34	Allocated	N.A.	The Group has not obtained the Land Ownership Certificate and the Building Ownership Certificate of the property.	None	None	None	76.46%
111 buildings and 459 structures which are erected on 13 parcels of land located in Zhunge'er Banner, Ordos, Inner Mongolia, China	Inner Mongolia Yitai Zhundong Railway Co., Ltd.	The office, staff quarters & ancillary facilities for Phase I of Zhundong Railway Line	6,295,933.45	54,439.39	8 parcels of allocated land	Traffic/ Office	According to a reply issued by the MLR on December 27, 2011, the State Council had approved for the parcel of land used by Huzhuh Railway Line to convert into land for construction, and there are no material legal impediments in obtaining the relevant land use right certificate.	None	None	1 office building is in the progress. The cost of RMB 49,778,396 had been incurred at 31 Mar 2012.	100%
5 parcels of granted land with the latest expiry date on 7 March 2053											

Description and Location	Holding Entity	Use & Occupancy	Site area (sq.m.)	Gross floor area (sq.m.)	Method of Land Use Right/Expiry Date of Land Use	Restrictions on use	Material encumbrances	Material environmental issues	Material litigation, breaches, the next 12 months	Plans for construction, improvement in the next 12 months	Interests attributable to the Group
10 buildings and 1 railway line which are erected on 1 parcel of land located in Zhunge'er Banner, Ordos, Inner Mongolia, China	Inner Mongolia Yitai Zhundong Railway Co., Ltd.	The office, staff quarters & ancillary facilities for Phase II of Zhundong Railway Line	4,873,743.00	6,868.60	Allocated	N.A.	The Group has not obtained the Land Ownership Certificate and the Building Ownership Certificate of the property.	None	None	None	100%
47 buildings and 35 structures which are erected on 2 parcel of land located in Zhunge'er Banner, Ordos, Inner Mongolia, China	Inner Mongolia Yitai Jingyue Suancigou Mining Co., Ltd.	The industrial production facilities, staff quarters, office & ancillary facilities for Suancigou Mine	751,488.00	92,690.64	Granted land with the expiry date on 22 July 2060	Industrial	According to a reply issued by the MLR on January 17, 2011, the State Council had approved for the parcel of land used by Yitai Zhundong Railway Line to convert into land for construction, and there are no material legal impediments in obtaining the relevant land use right certificate.	None	None	None	52%
6 buildings and 55 structures which are erected on 2 parcel of land located in Zhunge'er Banner, Ordos, Inner Mongolia, China	Inner Mongolia Yitai Jingyue Suancigou Mining Co., Ltd.	The Suanzhou Railway Line	729,931.74	3,620.64	One parcel of allocated land	Railway	For 2 buildings with a total gross floor area of 5,546.20sq.m. without Building Ownership Certificate, the Group is applying for the relevant Building Ownership Certificates.	None	None	None	52%
					One parcel of granted land with the expiry date on 22 July 2060						

Description and Location	Holding Entity	Use & Occupancy	Site area (sq.m.)	Gross floor area (sq.m.)	Method of Acquisition of Land Use Right/Expiry Date of Land Use	Restrictions on use	Material encumbrances	Material environmental issues	Material litigation breaches, the next 12 months	Plans for construction, improvement in the next 12 months	Interests attributable to the Group
14 buildings and 27 structures which are erected on 1 parcel of land located in Hangjin Banner, Ordos, Inner Mongolia, China	Inner Mongolia Yitai Pharmaceutical Co.,Ltd.	The industrial production facilities, staff quarters, office & ancillary facilities	530,165.60	10,552.85	Granted land with the expiry date on 5 November 2050	Industrial	None	None	None	None	100%
19 buildings and 34 structures which are erected on 2 parcels of land located in Hangjin Banner, Ordos, Inner Mongolia, China	Inner Mongolia Yitai Tiedong Storage and Transportation Co., Ltd.	The industrial production facilities, staff quarters, office & ancillary facilities	227,258.00	7,503.92	Granted land with the expiry date both on 9 October 2059	Industrial	For 3 buildings with a total gross floor area of 3,467.66sq.m. without Building Ownership Certificate, the Group is applying for the relevant Building Ownership Certificates.	None	None	None	51%

Note:

- (1) The above material properties refer to the properties used for the Group's coal & industrial production and railway line.
- (2) For the encumbrances of the property, we have relied on the legal opinion provided by the Group's PRC legal advisors Jingtian & Gongcheng Attorneys at Law.
- (3) None of the above material properties is related to property activities (as defined in the Chapter 5 of the Hong Kong Listing Rules). To the best of our knowledge and belief, except as otherwise disclosed in the above table and/or notes, none of our material properties have:
 - a) third party rights such as encumbrances, liens, pledges or mortgages;
 - b) restrictions on its use or conflicts with its actual use;
 - c) environmental violation issues;
 - d) investigations, notices, pending litigations, breaches of law or title defects;
 - e) plans for construction, renovation, improvement or development;
 - f) plans to dispose of or change the use; or
 - g) any other information considered material for investors to enable them to make a property informed assessment on the properties of our Group.