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內蒙古伊泰煤炭股份有限公司

INNER MONGOLIA YITAI COAL CO., LTD.*

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

(Stock Code: 3948)

**ANNOUNCEMENT
ON BUSINESS OPERATION IN THE SECOND QUARTER OF 2016**

This announcement is made by the Company pursuant to Rules 13.09 and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

According to the provisions of the Guidelines on Industrial Information Disclosure of Listed Companies No. 3 – Coal of the Shanghai Stock Exchange, the board of directors (the “**Board**”) of the Company shall release the business operation of the Company in the second quarter for the year of 2016.

This announcement is made by Inner Mongolia Yitai Coal Co., Ltd. (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) pursuant to Rules 13.09 and 13.10B of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

According to the provisions of the Guidelines on Industrial Information Disclosure of Listed Companies No. 3 – Coal of the Shanghai Stock Exchange, the board of directors (the “**Board**”) of the Company shall release the business operation of the Company in the second quarter for the year of 2016, as follows:

The Group recorded a coal output of 9.2648 million tonnes, representing a year-on-year increase of 9.59%; sales of coal of 15.7551 million tonnes, representing a year-on-year increase of 15.24%; sales revenue of RMB4,178,824,600, representing a year-on-year increase of 3.18%; sales costs of RMB2,969,282,100, representing a year-on-year increase of 3.24%; gross profit on sales of RMB1,209,542,600, representing a year-on-year increase of 3.04%.

* For identification purpose only

The operating data above, which were derived from internal statistics of the Company, help investors understand the general operation the Company, and may be different from the data disclosed in the regular reports of the Company. The investors are hereby reminded of the investment risks which may result from inappropriate reliance upon or utilization of the information given above.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Inner Mongolia, the PRC, 29 July 2016

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