

Cooperation Letter

on Importing High- tech Project by Mengtai Coal & Electricity Group Co.,Ltd.

Part I. General Information

Established by the end of 2001, Mengtai Group has integrated the production, transportation and marketing of the coal and gave priority to coal production, electricity generation and heating supply. Currently, Mengtai Group is one of key enterprises in coal production and transportation across China, one of big freight customers of China Railways Corporation, the key large-size enterprise with business income over RMB 10 billion Yuan supported by People's Government of Inner Mongolia Autonomous Region and ranks 40th in Top-100 list of China Coal Enterprises. In addition, Mengtai Group turns out to be one of Chinese private enterprises combining [heat and power generation](#) at the earliest and the largest city-heat supply enterprise across Ordos.

Mengtai Group possesses 2 billion tons of coal resources with annual coal production and sales volume over 30000000 tons, total installed capacity as 2100MW, central heating area covering 20000000 square meters. Mengtai Group has employed about 3000 people with total assets about RMB 30 billion Yuan, and paid taxes about RMB10 billion Yuan in total.

Presently, Mengtai Group has tried hard to strengthen and optimize coal and electricity business and develop alloy material industries by combining high technology and high added value so as to extend the coal and electricity chain and move forward to high-end intelligent manufacturing relying on our coal and electricity advantage (namely, the Industrial Standard No 4.0) . Meanwhile, Mengtai Group has made big investment in asset-light and high added-value industries, such as the mobile internet industry by the end of 2013, and has made phased achievement.

In a word, over ten years of development, Mengtai Group has laid a good foundation in talents, capital, management and technology and made great progress in transformation and upgrading, in high-end industrial area in particular.

Part II Cooperation Intentions

For transforming and upgrading our enterprise and building up the “Coal—Electricity—High-Tech Material Production—High-end E-Commerce—High-end Intelligent Manufacturing” industrial Chain in interaction and complementation, Mengtai Group intends to cooperate in relevant high-end technologies and high-tech projects as follows:

(一) Cooperation Area

1. Research and production of high-end aluminium alloy
2. Production of high-end special steel
3. Production of cemented carbide
4. Clean coal utilization technology

- 5.High-quality metal powders production,metallurgy
6. New energy battery
7. Other projects with high-tech content, high-added value and good market potential.

(二) Ways of Cooperation

1.Cooperating with high-tech enterprises and research institutes by enjoying mature technology and sound performance by way of joint operation in plant construction and brand and market promotion.

The plant site is expected to be located in Ordos so as to take a full usage of our coal, electricity and land, or build aboard if necessary.

2. Buying all including technologies, production lines, talents, brand and market as well.

We wish you good health and everything going well in China.

Mengtai Coal & Electricity Group Co., Ltd.

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