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YUE DA MINING HOLDINGS LIMITED

悦達礦業控股有限公司

(incorporated in the Cayman Islands with limited liability)

(stock code: 629)

**PROPOSED OPEN OFFER OF NOT LESS THAN 325,569,333
OFFER SHARES AND NOT MORE THAN 341,569,333 OFFER SHARES
ON THE BASIS OF ONE OFFER SHARE
FOR EVERY EXISTING SHARE HELD ON THE RECORD DATE
AND
RESUMPTION OF TRADING**

Underwriters to the Open Offer



Get Nice Securities Limited



OSK Securities Hong Kong Limited

PROPOSED OPEN OFFER

The Company proposes to issue not less than 325,569,333 Offer Shares and not more than 341,569,333 Offer Shares, at the Subscription Price of HK\$1.2 per Offer Share on the basis of one Offer Share for every existing Share in issue on the Record Date. The proposed Open Offer is intended to raise funds in the range of about HK\$390.7 million to HK\$409.9 million (before expenses). The Open Offer is only available to Qualifying Shareholders and will not be extended to Non-Qualifying Shareholders.

It is a term of the Underwriting Agreement that each of the Obligor Shareholders has to give an irrevocable undertaking to the Company and the Underwriters, among other matters, that: (i) the relevant Obligor Shares will remain registered in the same name or the name of its nominee(s) until the close of business on the Record Date and will continue to have registered address in Hong Kong; (ii) it will accept or procure the acceptance in full for its entitlements under the Open Offer pursuant to the terms of the Open Offer; and (iii) it will not and will procure that (so far as applicable and reasonably possible) company(ies) controlled by it or by any of its nominee(s) will not, during the period from immediately after the execution of the Underwriting Agreement and prior to or on the date the Underwriting Agreement becoming unconditional, transfer or otherwise dispose of any of the Shares held by it.

Pursuant to the Underwriting Agreement, the Underwriters have conditionally agreed to fully underwrite all the Offer Shares, other than those to be taken up by the Obligor Shareholders pursuant to their respective Irrevocable Undertakings. Details of the major terms and conditions of the Underwriting Agreement are set out in the section headed “Underwriting Agreement” of this announcement.

The Open Offer is conditional upon, inter alia, the fulfillment or waiver of the conditions set out below under the paragraph headed “Conditions of the Open Offer” under the section headed “Underwriting Agreement” in this announcement. In particular, it is subject to the Underwriting Agreement not being terminated in accordance with its terms thereof (a summary of which is set out under the paragraph headed “Termination of the Underwriting Agreement” under the section headed “Underwriting Agreement” in this announcement).

If the Underwriting Agreement is terminated, or the conditions of the Open Offer are not fulfilled or waived, the Open Offer will not proceed.

The last day of dealings in the Shares on the Stock Exchange on a cum-entitlement basis will be 2 February 2010. The Shares will be dealt in on an ex-entitlement basis on the Stock Exchange from 3 February 2010. To qualify for the Open Offer, a Qualifying Shareholder’s name must appear on the registers of members of the Company on the Record Date, which is currently expected to be 10 February 2010. In order to be registered as Shareholders on the Record Date, any transfers of Shares (with the relevant share certificates) must be lodged for registration with the Company’s branch share registrar in Hong Kong, Hong Kong Registrars Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong by 4:30 p.m. on 4 February 2010.

Any persons contemplating buying or selling Shares from the date of this announcement up to the date on which all the conditions of the Open Offer are fulfilled or waived bear the risk that the Open Offer may not become unconditional or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares, and if they are in doubt about their position, they should consult their professional advisers.

GENERAL

The Open Offer is conditional on, among other matters, the approval of the Open Offer by the Independent Shareholders at the EGM. As at the date of this announcement, Yue Da Group (H.K.) Co., Limited is interested in an aggregate of 120,257,000 Shares, representing approximately 36.94% of the existing issued share capital of the Company. Yue Da Group (H.K.) Co., Limited and their associates, if holding any Shares on the date of the EGM, shall abstain from voting in favour of the resolution approving the Open Offer to be proposed at the EGM. A circular containing, among other matters, details of the Open Offer and (i) a letter from the Independent Board Committee to the Independent Shareholders setting out their advice and recommendations in relation to the Open Offer; (ii) a letter from an independent financial adviser (to be appointed) to the Independent Board Committee and the Independent Shareholders in relation to the Open Offer; together with (iii) the notice of EGM, will be despatched to the Shareholders as soon as practicable.

Subject to the Open Offer being approved by the Independent Shareholders at the EGM, the Prospectus Documents setting out details of the Open Offer will be despatched to the Qualifying Shareholders as soon as practicable. The Prospectus, without the provisional allotment letter, will be sent to the Non-Qualifying Shareholders (if any) for their information only.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:30 a.m. on 14 January 2010 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 15 January 2010.

PROPOSED OPEN OFFER

Issue statistics

- Basis of the Open Offer : One Offer Share for every existing Share held on the Record Date and payable in full upon application
- Number of existing shares in issue as at the date of this announcement : 325,569,333 Shares
- Outstanding derivatives, options, warrants, conversion rights or other similar rights which are convertible or exchangeable into Shares as at the date of this announcement : Outstanding Share Options attaching with subscription right to subscribe for 16,000,000 Shares
- Number of Offer Shares : Not less than 325,569,333 Offer Shares and not more than 341,569,333 Offer Shares
- The aggregate nominal value of the total Offer Shares will not be less than HK\$32,556,933.3 and not more than HK\$34,156,933.3
- Subscription Price : HK\$1.2 per Offer Share
- The net Subscription Price for each Offer Share is approximately HK\$1.17
- Minimum number of Shares in issue as enlarged upon completion of the Open Offer (assuming that none of the Share Options is exercised on or before the Record Date) : 651,138,666 Shares
- Maximum number of Shares in issue as enlarged upon completion of the Open Offer (assuming that all the Share Options are exercised in full on or before the Record Date) : 683,138,666 Shares

Assuming that no Share Options are exercised on or before completion of the Open Offer, the Offer Shares proposed to be provisionally allotted (i.e. 325,569,333 Offer Shares) pursuant to the terms of the Open Offer represent (i) 100% of the Company's issued Shares of 325,569,333 Shares and (ii) 50% of the enlarged issued share capital of the Company comprising 651,138,666 Shares immediately following the completion of the Open Offer.

The number of Offer Shares which may be issued pursuant to the Open Offer will be increased in proportion to any additional Shares which may be allotted and issued pursuant to the exercise of the Share Options on or before the Record Date. As at the date of this announcement, there were Share Options attaching with subscription right to subscribe for 16,000,000 Shares outstanding. If the subscription right attaching to all such Share Options are fully exercised and Shares are allotted and issued pursuant to such exercise on or before the Record Date, the number of issued Shares is expected to increase and the number of Offer Shares that may be issued pursuant to the Open Offer is expected to be increased to 341,569,333 Offer Shares.

As at the date of this announcement, other than the Share Options, the Company has no derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares.

Subscription Price

The Subscription Price is HK\$1.2 per Offer Share, payable in cash in full upon application. Such Subscription Price represents:

- (i) a discount of approximately 46.90% to the closing price of HK\$2.26 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 46.43% to the average closing price of HK\$2.24 per Share for the five trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 42.42% to the average closing price of HK\$2.084 per Share for the ten trading days up to and including the Last Trading Day; and
- (iv) a discount of approximately 30.64% to the theoretical ex-entitlement price of HK\$1.73 per Share based on the closing price as quoted on the Stock Exchange on the Last Trading Day.

The Subscription Price was arrived at after arm's length negotiation between the Company and the Underwriters with reference to the prevailing market conditions and recent financial conditions of the Group. The Directors (excluding the independent non-executive Directors whose views will be set out in their letter to be included in the circular to be despatched to the Shareholders in connection with the Open Offer) consider that the terms of the Open Offer, including the determination of the Subscription Price, are fair and reasonable and could enhance the attractiveness of the Open Offer, so as to encourage Shareholders to participate in the Open Offer without exerting excessive financial burden on the part of the Shareholders. The Open Offer also offers each Qualifying Shareholder to maintain their respective pro rata shareholdings in the Company as well as an opportunity to apply for additional Shares (if they so wish) by way of application for excess Offer Shares, and enable them to participate in the future growth of the Group.

In light of the above, the Directors consider that it is in the interests of the Company and the Shareholders as a whole to raise capital through the Open Offer.

Fractions of the Offer Shares

On the basis of provisional allotment of one Offer Share for every existing Share held by the Qualifying Shareholders on the Record Date, no fractional entitlements to the Offer Shares will arise under the Open Offer.

Status of the Offer Shares

The Offer Shares, when allotted, issued and fully-paid, will rank pari passu with the then existing Shares in issue on the date of allotment of the Offer Shares. Holders of such Offer Shares will be entitled to receive all future dividends and distributions which are declared, made or paid with a record date which falls on or after the date of allotment and issue of the Offer Shares. Dealings in the Offer Shares will be subject to payment of stamp duty in Hong Kong, Stock Exchange trading fees, Securities and Futures Commission transaction levy and other applicable fees and charges in Hong Kong.

Application for excess Offer Shares

Qualifying Shareholders may apply for entitlements of the Non-Qualifying Shareholders (see the paragraph headed “Non-Qualifying Shareholders” below) and any Offer Shares provisionally allotted but not accepted by the Qualifying Shareholders.

Applications may be made by completing the form of application for excess Offer Shares and lodging the same with a separate remittance for the excess Offer Shares. The Directors will allocate the excess Offer Shares at their discretion on a fair and equitable basis on the following principles:

- (1) preference will be given to applications for less than a board lot of Offer Shares where they appear to the Directors that such applications are made to round up odd-lot holdings to whole-lot holdings;
- (2) subject to availability of excess Offer Shares after allocation under principle (1) above, the excess Offer Shares will be allotted to Qualifying Shareholders based on a sliding scale with reference to the number of the excess Offer Shares applied by them (that is, Qualifying Shareholders applying for smaller number of Offer Shares are allocated with a higher percentage of successful application but will receive less number of Offer Shares; whereas Qualifying Shareholders applying for larger number of Offer Shares are allocated with a smaller percentage of successful application but will receive higher number of Offer Shares).

The Directors consider that the allocation mechanism for the excess Offer Shares on the above principles is fair and equitable as it is likely for a larger number of potential and qualifying applicants for excess Offer Shares to have the opportunity to be successfully allocated with any excess Offer Shares.

Shareholders with their Shares held by a nominee company should note that the Board will regard the nominee company as a single Shareholder according to the register of members of the Company under the allocation of excess Offer Shares. Accordingly, Shareholders should note that the aforesaid arrangement in relation to the top-up of odd lots for allocation of excess Offer Shares will not be extended to ultimate beneficial owners individually. Shareholders with their Shares held by a nominee company are advised to consider whether they would like to arrange for the registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

Excess application from Qualifying Shareholders (including registered nominee company) will be accepted by the Company even if their assured entitlement of the Offer Shares is not subscribed for in full.

Share certificates for the Offer Shares

Subject to the fulfillment of the conditions of the Open Offer, share certificates for the Offer Shares are expected to be posted to Qualifying Shareholders who have validly accepted and applied for (where appropriate), and paid for the Offer Shares on or before 8 March 2010 at their own risk. Refund cheques in respect of wholly or partially unsuccessful applications for excess Offer Shares are also expected to be posted on or before 8 March 2010 at their own risk.

Qualifying Shareholders

The Company will send (i) the Prospectus Documents to the Qualifying Shareholders; and (ii) the Prospectus, but without the related provisional allotment letter, to the Non-Qualifying Shareholders for information only.

The Open Offer is only available to the Qualifying Shareholders. To qualify for the Open Offer, a Shareholder must be registered as a member of the Company at the close of business on the Record Date and not be a Non-Qualifying Shareholder.

In order to be registered as a member of the Company on the Record Date, Shareholders must lodge any transfers of Shares (with the relevant share certificate(s)) with the Company's share registrar in Hong Kong by 4:30 p.m. on 4 February 2010. The last day of dealings in Shares on a cum-entitlements basis is therefore expected to be 2 February 2010. The Shares will be dealt with on an ex-entitlement basis from 3 February 2010. The Company's share registrar in Hong Kong is Hong Kong Registrars Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

Non-Qualifying Shareholders

If there are any Overseas Shareholders at the close of business on the Record Date, such Overseas Shareholders may or may not be eligible to take part in the Open Offer.

The Directors will comply with Rule 13.36(2)(a) of the Listing Rules and make enquiries regarding the feasibility of extending the Open Offer to the Overseas Shareholders taking into consideration the applicable securities legislation of the relevant overseas places or the requirements of the relevant regulatory body or stock exchange for the issue of Offer Shares to the Overseas Shareholders.

If, after making such enquiry, the Directors are of the opinion that it would be necessary or expedient, on account either of the legal restrictions under the laws of the relevant place or any applicable requirements of the relevant regulatory body or stock exchange in that place, not to offer the Offer Shares to such Overseas Shareholders, the Open Offer will not be extended to the Overseas Shareholders who will become the Non-Qualifying Shareholders.

The Prospectus Documents are not intended to be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Offer Shares. None of the securities of the Company is listed or dealt in on any other stock exchange other than the Stock Exchange and no such listing or permission to deal is proposed to be sought.

Subject to the grant of listing of, and permission to deal in, the Offer Shares on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Offer Shares on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange or any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

All necessary arrangements will be made to enable the Offer Shares in their fully-paid form to be admitted into CCASS.

Notice of book closure period

In accordance with Rule 13.66 of the Listing Rules, the Company announces that its register of members will be closed from 5 February 2010 to 10 February 2010 (both days inclusive) for the purpose of, among other things, establishing entitlements to the Open Offer. No transfer of Shares will be registered during this book closure period.

Qualifying Shareholders who do not take up the Offer Shares to which they are entitled should note that their shareholding in the Company will be diluted.

UNDERWRITING ARRANGEMENTS

Irrevocable Undertakings

As at the date of this announcement, the Obligor Shareholders were interested in an aggregate of 178,040,351 Shares, representing approximately 54.7% of the existing issued share capital of the Company. Pursuant to the Open Offer, the Obligor Shareholders will be entitled to subscribe for a maximum of 178,040,351 Offer Shares.

It is a term of the Underwriting Agreement that each of the Obligor Shareholders has to give an irrevocable undertaking to the Company and the Underwriters, among other matters, that: (i) the relevant Obligor Shares will remain registered in the same name or the name of its nominee(s) until the close of business on the Record Date and will continue to have registered address in Hong Kong; (ii) it will accept or procure the acceptance in full for its entitlements under the Open Offer pursuant to the terms of the Open Offer; and (iii) it will not and will procure that (so far as applicable and reasonably possible) company(ies) controlled by it or by any of its nominee(s) will not, during the period from immediately after the execution of the Underwriting Agreement and prior to or on the date the Underwriting Agreement becoming unconditional, transfer or otherwise dispose of any of the Shares held by it.

UNDERWRITING AGREEMENT

- Issuer : the Company
- Underwriters : Get Nice and OSK
- Number of Underwritten Shares : (i) 50,000,000 Offer Shares are agreed to be underwritten by Get Nice on a several basis, subject to and on the conditions and terms of the Underwriting Agreement; and
- (ii) not less than 97,528,982 Offer Shares (assuming none of the Share Options are exercised on the Record Date) and not more than 113,528,982 Offer Shares (assuming all the Share Options are exercised on the Record Date) are agreed to be underwritten by OSK on a several basis, subject to and on the conditions and terms of the Underwriting Agreement, being the total number of Offer Shares under the Open Offer excluding (aa) 178,040,351 Offer Shares undertaken to be subscribed by the Obligor Shareholders pursuant to their respective Irrevocable Undertaking and (bb) the 50,000,000 Offer Shares agreed to be underwritten by Get Nice
- Commission : to Get Nice, a commission of two per cent. of the aggregate Subscription Price in respect of the number of Offer Shares underwritten by Get Nice under the Underwriting Agreement and, to OSK, a commission of two per cent. of the aggregate Subscription Price in respect of the maximum number of Offer Shares underwritten by OSK under the Underwriting Agreement

The Open Offer is fully underwritten. The Directors (excluding the independent non-executive Directors whose views will be set out in their letter to be included in the circular to be despatched to the Shareholders in connection with the Open Offer) are of the opinion that the terms of the Underwriting Agreement and the amount of commission given to each of the Underwriters are fair as compared to the market practice and commercially reasonable as agreed between the Company and the Underwriters.

As at the date of this announcement, neither of the Underwriters hold any Shares. To the best of the Directors' knowledge and information, each of the Underwriters and their respective ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons (as defined in the Listing Rules).

Conditions of the Open Offer

The Open Offer is conditional upon the following conditions being fulfilled:

- (1) the Company despatching the circular to the Shareholders containing, among other matters, details of the Open Offer together with proxy form and the notice of EGM;
- (2) the passing by the Independent Shareholders at the EGM of ordinary resolutions to approve the Open Offer by no later than the Prospectus Posting Date;

- (3) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in all the Offer Shares (in their fully-paid forms) by no later than the Prospectus Posting Date;
- (4) the posting of the Prospectus Documents to the Qualifying Shareholders on or before the Prospectus Posting Date;
- (5) compliance with and performance of all the undertakings and obligations of the Company and the Underwriters under the terms of the Underwriting Agreement; and
- (6) compliance with and performance by each of the Obligor Shareholders of all of its obligations and undertakings under their respective Irrevocable Undertakings.

None of the parties to the Underwriting Agreement may waive conditions (1) to (4) above (both inclusive). The Underwriters may jointly waive condition (5) above (so far as it relates to the Company) and condition (6) above in whole or in part by written notice to the Company. If any of the conditions of the Open Offer are not fulfilled (or in respect of condition (5), waived in whole or in part by OSK (on behalf of the Underwriters) on or before the Latest Acceptance Time (or such later time and/or date as the Company and OSK (on behalf of the Underwriters) may agree in writing), the Underwriting Agreement shall terminate (save in respect of any rights and obligations which may accrue under the Underwriting Agreement prior to such termination) and neither the Company nor the Underwriters shall have any claim against the other party for costs, damages, compensation or otherwise save for any antecedent breach and the Open Offer will not proceed.

Termination of the Underwriting Agreement

The Underwriting Agreement contains provisions granting OSK (on behalf of the Underwriters), by notice in writing, the right to terminate the Underwriters' obligations thereunder on the occurrence of certain events. OSK (on behalf of the Underwriters) may terminate the Underwriting Agreement on or before the Latest Time for Termination if prior to the Latest Time for Termination, any of the following happens:

- (a) in the reasonable opinion of OSK acting in good faith, the success of the Open Offer would be materially and adversely affected by:
 - (1) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of OSK materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
 - (2) the occurrence of any local, national or international event or change, whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement, of a political, financial, economic currency, market or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of OSK materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
 - (3) any material adverse change in the business or in the financial or trading position or prospectus of the Group as a whole; or

- (4) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out which would, in the reasonable opinion of OSK materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
 - (5) there occurs or comes into effect the imposition of any moratorium, suspension or material restriction on trading in the Shares generally on the Stock Exchange due to exceptional financial circumstances or otherwise; or
 - (6) the commencement by any third party of any litigation or claim against any member of the Group which is or might be material to the Group taken as a whole; or
- (b) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, imposition of economic sanctions, on Hong Kong, the People's Republic of China or other jurisdiction relevant to the Group or any member of the Group and a change in currency conditions for the purpose of this Clause includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs which in the reasonable opinion of OSK makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (c) the circular to be despatched to the Shareholders in connection with the Open Offer or the Prospectus when published contain information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date of the Underwriting Agreement been publicly announced or published by the Company and which in the reasonable opinion of OSK is material to the Group as a whole and is likely to affect materially and adversely the success of the Open Offer,

If the Underwriting Agreement is terminated by OSK (on behalf of the Underwriters) on or before the Latest Time for Termination or does not become unconditional, the Underwriting Agreement shall terminate (save in respect of any rights and obligations which may accrue under the Underwriting Agreement prior to such termination) and the Open Offer will not proceed and neither the Company nor the Underwriters shall have any claim against the other party for costs, damages, compensation or otherwise in connection with the Underwriting Agreement.

WARNING OF THE RISK OF DEALING IN THE SHARES

The Open Offer is conditional upon, inter alia, the fulfillment or waiver of the conditions set out under the paragraph headed "Conditions of the Open Offer" under the section headed "Underwriting Agreement" in this announcement. In particular, it is subject to the Underwriting Agreement not being terminated in accordance with its terms thereof (a summary of which is set out under the paragraph headed "Termination of the Underwriting Agreement" under the section headed "Underwriting Agreement" in this announcement above). The Open Offer may or may not proceed.

Any persons contemplating buying or selling Shares from the date of this announcement up to the date on which all the conditions of the Open Offer are fulfilled or waived bear the risk that the Open Offer may not become unconditional or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares, and if they are in doubt about their position, they should consult their professional advisers.

CHANGES IN SHAREHOLDING STRUCTURE

Set out below are tables showing the changes in shareholding structure of the Company arising from the Open Offer:

Name of Shareholder	As at the date of this announcement		Upon completion of the Open Offer and assuming that none of the Share Options is exercised on or before the Record Date				Upon completion of the Open Offer and assuming that all the Share Options are exercised on or before the Record Date			
			Assuming no Shareholders (other than the Obligor Shareholders) have taken up any of their entitlements under the Open Offer		Assuming all Shareholders have taken up their entitlements under the Open Offer		Assuming no Shareholders (other than the Obligor Shareholders) have taken up any of their entitlements under the Open Offer		Assuming all Shareholders have taken up their entitlements under the Open Offer	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
Underwriters:										
Get Nice	—	—	50,000,000	7.68%	—	—	50,000,000	7.32%	—	—
OSK	—	—	97,528,982	14.98%	—	—	113,528,982	16.62%	—	—
Substantial shareholder:										
Yue Da Group (H.K.) Co., Limited (Note 1)	120,257,000	36.94%	240,514,000	36.94%	240,514,000	36.94%	240,514,000	35.21%	240,514,000	35.21%
Directors:										
Dong Li Yong	1,500,000	0.46%	1,500,000	0.23%	3,000,000	0.46%	2,700,000	0.39%	5,400,000	0.79%
The late Hu You Lin (Note 2)	3,960,000	1.22%	3,960,000	0.61%	7,920,000	1.22%	6,460,000	0.95%	12,920,000	1.89%
Liu Xiao Guang	—	—	—	—	—	—	900,000	0.13%	1,800,000	0.26%
Qi Guang Ya	—	—	—	—	—	—	600,000	0.09%	1,200,000	0.18%
Public:	<u>199,852,333</u>	<u>61.38%</u>	<u>257,635,684</u>	<u>39.56%</u>	<u>399,704,666</u>	<u>61.38%</u>	<u>268,435,684</u>	<u>39.29%</u>	<u>421,304,666</u>	<u>61.67%</u>
Total:	<u>325,569,333</u>	<u>100%</u>	<u>651,138,666</u>	<u>100%</u>	<u>651,138,666</u>	<u>100%</u>	<u>683,138,666</u>	<u>100%</u>	<u>683,138,666</u>	<u>100%</u>

Notes:

- These Shares are registered in the name of Yue Da Group (H.K.) Co., Limited (one of the Obligor Shareholders). Jiangsu Yue Da Group Company Limited holds the entire issued share capital of Yue Da Group (H.K.) Co., Limited and is deemed interested in these Shares held by Yue Da Group (H.K.) Co., Limited.
- The late Hu You Lin passed away on 28 August 2009 and these Shares form part of his estate and are held by his personal representative.

Shareholders and public investors should note that the above shareholding changes are for illustration purposes only and the actual changes in the shareholding structure of the Company upon completion of the Open Offer are subject to various factors, including the results of acceptance of the Open Offer. Further announcement(s) will be made by the Company in accordance with the Listing Rules following the conclusion of the EGM and the completion of the Open Offer.

REASONS FOR THE OPEN OFFER AND THE USE OF PROCEEDS

The proposed Open Offer is intended to raise funds in the range of about HK\$390.7 million to HK\$409.9 million (before expenses). The net proceeds from the Open Offer after deducting for expenses are estimated to be approximately HK\$380 million to HK\$400 million. The Company intends to use the net proceeds for financing the possible co-operation with Pingchuan Iron Mining Company (as defined in the Pingchuan MOU Announcement) and the balance as general working capital of the Group. If the co-operation with Pingchuan Iron Mining Company does not proceed eventually, the whole amount of the net proceeds is intended to be used as general working capital or for other potential investment of the Group.

The Open Offer will enlarge the capital base of the Company and the Directors consider that it will facilitate the long-term development of the Company. Taking into account the fact that the net proceeds from the Open Offer are expected to improve the Group's gearing position and enhance the Company's capital base, the Directors are of the view that the Open Offer is in the interests of the Group and the Shareholders as a whole.

EXPECTED TIMETABLE FOR THE OPEN OFFER

The expected timetable for the Open Offer set out below is indicative only and it has been prepared on the assumption that all the conditions of the Open Offer will be fulfilled and/or waived (where appropriate).

Dates or deadlines specified in this announcement for events in the timetable below are indicative only and may be extended or varied. Any consequential changes to the anticipated timetable will be announced as and when appropriate.

*2010
Hong Kong time*

Despatch of circular in connection with the Open Offer .	On or before Monday, 25 January
Last day of dealings in Shares on cum-entitlement basis	Tuesday, 2 February
First day of dealing in Shares on ex-entitlement basis.	Wednesday, 3 February
Latest time for lodging transfers of Shares in order to qualify for the Open Offer	4:30 p.m. on Thursday, 4 February
Register of members of the Company closes (both days inclusive)	Friday, 5 February to Wednesday, 10 February
Record Date	Wednesday, 10 February
Date of the EGM	Wednesday, 10 February
Poll results announcement of the EGM.	Wednesday, 10 February
Register of members of the Company reopens	Thursday, 11 February
Despatch of the Prospectus Documents.	Thursday, 11 February

Latest time for acceptance of and payment for Offer Shares
and application for excess Offer Shares 4:00 p.m. on Tuesday,
2 March

Latest time for the Open Offer to become unconditional. 4:00 p.m. on Thursday,
4 March

Announcement of results of acceptance of the Open Offer Thursday, 4 March

Despatch of certificates for Offer Shares and
refund cheques On or before Monday, 8 March

Commencement of dealings in Offer Shares Wednesday, 10 March

ADJUSTMENTS RELATING TO SHARE OPTIONS UPON COMPLETION OF THE OPEN OFFER

Pursuant to the terms of the Share Option Scheme, adjustments to the Share Options may also be made upon the Open Offer becoming unconditional. The Company will instruct its auditors or an independent financial adviser to certify in writing the adjustments (if any) that ought to be made to the Share Options and announce further details on such adjustments in accordance with the provisions under the Share Option Scheme.

FUND-RAISING EXERCISE OF THE COMPANY DURING THE PAST TWELVE MONTHS

The Company has not conducted any equity fund raising exercise in the twelve months immediately preceding the date of this announcement.

EGM

The EGM will be held to consider and, if thought fit, passing the necessary resolutions to approve the Open Offer.

Yue Da Group (H.K.) Co., Limited and its associates will abstain from voting in favour of the resolutions to approve the Open Offer at the EGM in accordance with Rule 7.24(5)(a) of the Listing Rules.

GENERAL

The Group is principally engaged in the mining as well as cleansing and processing of metal minerals and the operation of a toll road.

The Company has established the Independent Board Committee to advise the Independent Shareholders as to whether the terms of the Open Offer are fair and reasonable and are in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote, taking into account the recommendations from an independent financial adviser to be appointed. In this connection, the Company will appoint an independent financial adviser (which appointment will have to be approved by the Independent Board Committee) to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Open Offer are fair and reasonable and are in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote.

A circular containing, among other matters, details of the Open Offer and (i) a letter from the Independent Board Committee to the Independent Shareholders setting out their advice and recommendations in relation to the Open Offer; (ii) a letter from an independent financial adviser (to be appointed) to the Independent Board Committee and the Independent Shareholders in relation to the Open Offer; together with (iii) the notice of EGM, will be despatched to the Shareholders as soon as practicable in accordance with Rule 7.24(5)(b) of the Listing Rules.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:30 a.m. on 14 January 2010 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 15 January 2010.

DEFINITIONS

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

“associate”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (other than a Saturday or a day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00a.m. and 4:00p.m.) on which banks generally are open for business in Hong Kong
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	Yue Da Mining Holdings Limited 悦達礦業控股有限公司, a company incorporated in the Cayman Islands and the issued Shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Excluded Shares”	a total of 178,040,351 Offer Shares to be taken up or procured to be taken up by the Obligor Shareholders pursuant to their respective Irrevocable Undertakings
“Get Nice”	Get Nice Securities Limited, a corporation licensed to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Group”	the Company and its subsidiaries from time to time
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Independent Board Committee”	a committee of the Board (comprising Cai Chuan Bing, Leung Mei Han, Han Run Sheng and Cui Shu Ming, all being independent non-executive Directors) constituted to advise the Independent Shareholders on the Open Offer
“Independent Shareholders”	Shareholders other than Yue Da Group (H.K.) Co., Limited (being a controlling Shareholder as at the date of this announcement) and its associates (who shall abstain from voting in favour of the resolutions to approve the Open Offer to be proposed at the EGM)
“Irrevocable Undertaking(s) ”	the irrevocable undertaking given by each of the Obligor Shareholders in favour of the Company and the Underwriters
“Last Trading Day”	13 January 2010, being the last Stock Exchange trading day in the Shares pending the release of this announcement
“Latest Acceptance Time”	4:00 p.m. on 2 March 2010 or such later time as may be agreed between the Company and the Underwriters, being the latest time for acceptance of the offer of the Offer Shares
“Latest Time for Termination”	4:00 p.m. on the second Business Day after the Latest Acceptance Time, being the latest time by which OSK (on behalf of the Underwriters) may terminate the Underwriting Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Non-Qualifying Shareholders”	Overseas Shareholders to whom the Board (based on legal opinions provided by legal advisers if the Board considers it necessary) considers it necessary or expedient not to offer the Offer Shares on account either of legal restrictions under the laws of relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Obligor Shares”	in respect of Yue Da Group (H.K.) Co., Limited, Feilong Holdings Limited and DnB NOR Asset Management (Asia) Limited, 120,257,000 Offer Shares, 30,333,333 Offer Shares and 27,450,018 Offer Shares respectively
“Obligor Shareholders”	Yue Da Group (H.K.) Co., Limited, Feilong Holdings Limited and DnB NOR Asset Management (Asia) Limited which are respectively interested in 120,257,000 Shares, 30,333,333 Shares and 27,450,018 Shares respectively as at the date of this announcement
“Offer Share(s)”	not less than 325,569,333 new Shares and not more than 341,569,333 new Shares to be issued by the Company pursuant to the Open Offer
“Open Offer”	the proposed issue of Offer Shares by the Company on the basis of one Offer Share for every existing Share to the Qualifying Shareholders at the Subscription Price, pursuant to the terms and conditions of the issue

“OSK”	OSK Securities Hong Kong Limited, a corporation licensed to conduct Type 1 (dealing in securities) and Type 4 (advising on securities) activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Overseas Shareholder(s)”	Shareholders with registered addresses (as shown in the register of members of the Company on the Record Date) which are outside Hong Kong
“Pingchuan MOU Announcement”	the Company’s announcement dated 14 January 2010 concerning the signing by the Company of a memorandum of understanding on the possible co-operation with Pingchuan Iron Mining Company (as defined in that announcement)
“Prospectus”	the prospectus to be issued by the Company in relation to the Open Offer
“Prospectus Documents”	the Prospectus, provisional allotment letter and excess application form
“Qualifying Shareholders”	Shareholders whose names appear on the register of members of the Company on the Record Date, other than the Non-Qualifying Shareholders
“Record Date”	10 February 2010 or such other date as may be agreed between the Company and the Underwriters
“Share(s)”	the ordinary shares with par value of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Share Options”	the options granted by the Company to subscribe for an aggregate of 16,000,000 Shares pursuant to the Share Option Scheme, which are outstanding as at the date of this announcement
“Share Option Scheme”	the share option scheme adopted by the Company on 29 November 2001 as amended from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$1.2 per Offer Share
“Underwriters”	collectively, Get Nice and OSK
“Underwriting Agreement”	the underwriting agreement dated 13 January 2010 entered into between the Company and the Underwriters in relation to the Open Offer
“Underwritten Shares”	all the Offer Shares other than the Excluded Shares, being not less than 147,528,982 Offer Shares and not more than 163,528,982 Offer Shares

“HK\$” Hong Kong dollar(s), the lawful currency of Hong Kong

“%” per cent.

On behalf of the Board
Yue Da Mining Holdings Limited
Chen Yunhua
Chairman

Hong Kong, 14 January 2010

As at the date hereof, the Board comprises the following members: (a) as executive Directors, Mr Dong Li Yong and Mr Liu Xiao Guang; (b) as non-executive Directors, Mr Chen Yunhua and Mr Qi Guang Ya; and (c) as independent non-executive Directors, Mr Cai Chuan Bing, Ms Leung Mei Han, Mr Han Run Sheng and Mr Cui Shu Ming.