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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in doubt** as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Yue Da Mining Holdings Limited, you should at once hand this circular together with the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)**

- 1. PROPOSED GRANT OF GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES**
- 2. RENEWAL OF THE 10% GENERAL LIMIT ON THE GRANT OF OPTIONS UNDER THE SHARE OPTION SCHEME**
- 3. RE-ELECTION OF DIRECTORS**
- 4. NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of the Company to be held at Office Nos. 3321–3323 & 3325, 33/F., China Merchants Tower, Shun Tak Centre, No. 168–200 Connaught Road Central, Hong Kong at 10:00 a.m.. on Wednesday, 26 May 2010 is set out on pages 17 to 22 of this circular.

Whether or not you are able to attend the meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same as soon as possible and in any event not later than 48 hours before the time of the meeting or any adjournment thereof to the Company's Hong Kong branch share registrars, Hong Kong Registrars Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting or any adjournment thereof should you so wish.

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

“10% General Limit”	the limit imposed under Clause 8.2(a) of the rules of the Share Option Scheme on the total number of Shares which may be issued upon the exercise of all options granted or to be granted under the Share Option Scheme and any other share option schemes of the Company, being 10% of the Company’s issued share capital as at the date of adoption of the Share Option Scheme, which has been “refreshed” and may be further “refreshed” on and pursuant to the rules of the Share Option Scheme.
“Annual General Meeting”	the annual general meeting of the Company to be held at Office Nos. 3321–3323 & 3325, 33/F., China Merchants Tower, Shun Tak Centre, No. 168–200 Connaught Road Central, Hong Kong at 10:00 a.m. on Wednesday, 26 May 2010, the notice of which is set out on pages 17 to 22 of this circular, or any adjournment thereof.
“Articles”	the articles of association of the Company adopted pursuant to a written resolution passed by the then sole Shareholder on 12 November 2001, as amended from time to time.
“associates”	has the meaning ascribed to it under the Listing Rules.
“Board”	the board of Directors.
“Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.
“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 Stock Exchange.
“Director(s)”	director(s) of the Company.
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors to the effect that the total number of Shares which may be allotted and issued under the Issue Mandate may be increased by an additional number representing such number of Shares actually repurchased under the refreshed Repurchase Mandate.
“Group”	the Company and its subsidiaries.
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China.

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## DEFINITIONS

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“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the Annual General Meeting for the Directors to exercise the power of the Company to allot, issue or otherwise deal with new Shares up to a maximum of 20% of the aggregate nominal amount of the share capital of the Company as at the date of the Annual General Meeting.
“Last Refreshment Resolution”	the resolution passed by the Shareholders at the annual general meeting of the Company held on 27 June 2007 for refreshing the 10% General Limit.
“Latest Practicable Date”	27 April 2010, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular.
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange.
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the Annual General Meeting to enable the Directors to repurchase the Shares on the Stock Exchange the aggregate nominal amount of which shall not exceed 10% of the aggregate nominal amount of the share capital in issue as at the date of the Annual General Meeting.
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong.
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company.
“Shareholder(s)”	holder(s) of the Shares.
“Share Option Scheme”	the share option scheme of the Company which has become effective on 29 November 2001 pursuant to a resolution in writing passed by the then sole Shareholder on 12 November 2001, amended pursuant to a resolution passed by the Shareholders at the annual general meeting held on 28 June 2006, and with its 10% General Limit refreshed pursuant to the Last Refreshment Resolution.
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers.
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong.
“%”	per cent.



**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)**

*Executive Directors:*

Dong Li Yong  
Liu Xiaoguang

*Non-executive Directors:*

Chen Yunhua  
Qi Guangya

*Independent non-executive Directors:*

Cai Chuan Bing  
Leung Mei Han  
Cui Shuming  
Han Runsheng

*Registered office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Principal office in Hong Kong:*

Office Nos. 3321–3323 & 3325  
33/F, China Merchants Tower  
Shun Tak Centre  
No. 168–200 Connaught Road Central  
Hong Kong

30 April 2010

*To the Shareholders and, for information only,  
the holders of options to subscribe for shares in the Company*

Dear Sir/Madam

- 1. PROPOSED GRANT OF GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES**
- 2. RENEWAL OF THE 10% GENERAL LIMIT ON THE GRANT OF OPTIONS UNDER THE SHARE OPTION SCHEME**
- 3. RE-ELECTION OF DIRECTORS**
- 4. NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The primary purpose of this circular is to provide you with information regarding the resolutions to be proposed at the Annual General Meeting and to give you notice of the Annual General Meeting. Resolutions to be proposed at the Annual General Meeting include ordinary resolutions relating to the proposed renewal of the 10% General Limit, the proposed grant of the General Mandate, the Repurchase Mandate and the Extension Mandate.

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## LETTER FROM THE BOARD

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### ISSUE MANDATE

At the Annual General Meeting, an ordinary resolution will be proposed that the Issue Mandate be granted for the Directors to allot, issue and deal with new Shares up to 20% of the aggregate nominal share capital of the Company in issue as at the date of passing of the relevant resolution. As at the Latest Practicable Date, a total of 652,114,098 Shares were in issue. Subject to the passing of the proposed resolution granting the Issue Mandate to the Directors and on the basis that no Shares will be issued or repurchased by the Company prior to the Annual General Meeting, the Company will be allowed under the Issue Mandate to issue a maximum of 130,422,819 Shares.

### REPURCHASE MANDATE AND EXTENSION MANDATE

At the Annual General Meeting, an ordinary resolution will be proposed that the Repurchase Mandate be granted for the Directors to exercise all powers of the Company to repurchase, on the Stock Exchange, or on any other stock exchange on which the Shares may be listed, Shares up to a maximum of 10% of the nominal share capital of the Company in issue as at the date of passing of the relevant resolution.

In addition, an ordinary resolution regarding the Extension Mandate will be proposed at the Annual General Meeting to authorise the increase in the total number of new Shares which may be allotted and issued under the Issue Mandate (if the grant of which is approved by the Shareholders at the Annual General Meeting) by an additional number representing such number of Shares actually repurchased under the Repurchase Mandate (if the grant of which is approved by the Shareholders at the Annual General Meeting).

Subject to the approval of the above proposals by the Shareholders at the Annual General Meeting, the Issue Mandate and the Repurchase Mandate would expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company; or (b) the end of the period within which the Company is required by the Companies Law or the Articles to hold its next annual general meeting; or (c) when revoked or varied by ordinary resolution(s) of the Shareholders in a general meeting prior to the next annual general meeting of the Company.

Under the Listing Rules, the Company is required to give to its Shareholders all information which is reasonably necessary to enable Shareholders to make an informed decision as to whether to vote for or against the resolution in respect of the proposed grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate at the Annual General Meeting. An explanatory statement for such purpose is set out in Appendix II to this circular.

### SHARE OPTION SCHEME — RENEWAL OF 10% GENERAL LIMIT

The Company adopted the Share Option Scheme which became effective on 29 November 2001 pursuant to a resolution in writing passed by the then sole Shareholder on 12 November 2001. Under the rules of the Share Option Scheme, the total number of Shares which may be issued upon the exercise of all options granted or to be granted under the

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## LETTER FROM THE BOARD

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Share Option Scheme and any other share option scheme of the Group is subject to the 10% General Limit, which was 10% of the Company's issued share capital as at the date of adoption of such scheme.

As at the Latest Practicable Date, apart from the Share Option Scheme, the Company has no other share option scheme.

Under the rules of the Share Option Scheme:

- (1) the total number of Shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company is subject to the 10% General Limit;
- (2) the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 30% of the Shares of the Company in issue from time to time ("**30% Overall Limit**"); and
- (3) unless approved by the Shareholders in general meeting in accordance with the Listing Rules, the total number of Shares issued and to be issued upon the exercise of options granted to each participant (other than a substantial shareholder or an independent non-executive Director, who shall be subject to a lower threshold) of the Share Option Scheme and any other share option schemes of the Company (including both exercised, cancelled and outstanding options) in any 12-month period must not exceed 1% of the issued share capital of the Company in issue ("**Single Participant Limit**").

The Company may seek approval from the Shareholders in general meeting for refreshing the 10% General Limit so that the total number of Shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company shall be re-set at 10% of the Shares in issue as at the date of the approval of the limit as "refreshed".

In this connection, options previously granted under the Share Option Scheme and any other share option schemes of the Company (including options outstanding, cancelled, lapsed or exercised) will not be counted for the purpose of calculating the 10% General Limit as "refreshed".

The 10% General Limit may be "refreshed" from time to time on and pursuant to the rules of the Share Option Scheme, subject to the approval by the Shareholders in general meeting. Since the adoption of the Share Option Scheme, the 10% General Limit has been "refreshed" once pursuant to the Last Refreshment Resolution. The current limit is 28,358,133 Shares which was set pursuant to the Last Refreshment Resolution, being 10% of the Shares in issue as at the date of annual general meeting of the Company held on 27 June 2007.

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## LETTER FROM THE BOARD

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Immediately before the date of passing of the Last Refreshment Resolution, options carrying rights to subscribe for up to a total of 3,540,000 Shares were outstanding. All these options were exercised or forfeited prior to 31 December 2008. As at the Latest Practicable Date, options carrying rights to subscribe for up to a total of 19,200,000 Shares (excluding those lapsed or cancelled) were granted under the Share Option Scheme following the date of passing of the Last Refreshment Resolution. These options were granted in accordance with the terms and restrictions of the Share Option Scheme (including the Single Participant Limit). All these options were granted to the Directors and the employees of the Group.

All the above grantees of the options fell within the category of eligible participants under the Share Option Scheme. The Directors confirm that the grant of options to the above grantees was in line with the rules of the Share Option Scheme and the relevant requirements of the Listing Rules.

As mentioned in the preceding paragraphs, the current 10% General Limit is 28,358,133 Shares which was set pursuant to the Last Refreshment Resolution. During the period between the date of the Last Refreshment Resolution and the Latest Practicable Date:

- (i) options carrying the right to subscribe for up to a total of 19,200,000 Shares (excluding those lapsed or cancelled) were granted under the Share Option Scheme;
- (ii) out of the options granted as mentioned in item (i), 675,432 Shares were issued pursuant to the exercise of options granted under the Share Option Scheme;
- (iii) accordingly (but before taking account of the increase in number of Shares due to the adjustment as mentioned in sub-paragraph (iv) below), the total number of Shares which may fall to be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme is 18,524,568 (i.e. 19,200,000 less 675,432); and
- (iv) in connection with the Company's open offer exercise completed in March 2010, the exercise price of the then outstanding options were adjusted from HK\$1.06 per Share to HK\$0.9063 per Share, while the number of Shares issuable upon exercise in full of the then outstanding options were increased by 2,661,937 Shares.

By adding (a) the additional number of 2,661,937 Shares as mentioned in item (iv) above to (b) the total number as mentioned in item (iii) above, the total number of Shares which may fall to be issued upon the exercise of all options outstanding as at the Latest Practicable Date is 21,186,505 (representing approximately 3.25% of the Shares in issue as at the Latest Practicable Date).

Unless the 10% General Limit is "refreshed", only up to 9,158,133 Shares (i.e. 28,358,133 less 19,200,000) may be issued pursuant to the grant of further options under the Share Option Scheme.



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## LETTER FROM THE BOARD

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If the 10% General Limit is “refreshed”, on the basis of 652,114,098 Shares in issue as at the Latest Practicable Date and assuming that, prior to the Annual General Meeting, no Shares are issued (whether upon exercise of options granted under the Share Option Scheme or otherwise) or repurchased by the Company, the 10% General Limit will be re-set at 65,211,409 Shares and the Company will be allowed to grant further options under the Share Option Scheme and other share option schemes carrying the rights to subscribe for a maximum of 65,211,409 Shares (“**Available Limit**”).

On the basis of 652,114,098 Shares in issue as at the Latest Practicable Date, the 30% Overall Limit represents a total of 195,634,229 Shares. Accordingly, the Available Limit arising from the “refreshing” of the 10% General Limit does not exceed the 30% Overall Limit as at the Latest Practicable Date.

The purpose of the Share Option Scheme is to provide incentives or rewards to employees, customers and suppliers of the Group and other eligible participants of the Share Option Scheme for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group. Given that the existing 10% General Limit is in depletion, the Share Option Scheme cannot continue to serve its intended purpose for the benefits of the Company and its Shareholders unless the 10% General Limit is “refreshed” in accordance with the rules of the Share Option Scheme.

The Directors consider that it will be for the benefit of the Company and its Shareholders as a whole that eligible participants of the Share Option Scheme are granted rights to obtain equity holdings of the Company through the grant of options under the Share Option Scheme. This will motivate the eligible participants to contribute to the success of the Group. For these reasons, the Directors will propose the passing of an ordinary resolution at the Annual General Meeting for “refreshing” the 10% General Limit.

The refreshment of the 10% General Limit is conditional upon:

- (a) the Shareholders approving the proposed refreshment at the Annual General Meeting; and
- (b) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Shares which may be allotted and issued upon the exercise of options to be granted under the Share Option Scheme or other schemes of the Company (if any).

An ordinary resolution will be proposed at the Annual General Meeting for the approval of refreshing the 10% General Limit. No Shareholder is required to abstain from voting for this ordinary resolution. Application will be made to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of options to be granted under the Share Option Scheme.

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## LETTER FROM THE BOARD

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### RE-ELECTION OF RETIRING DIRECTORS

In accordance with Article 108(A) of the Articles, Mr Cai Chuan Bing and Mr Cui Shuming will retire as Directors by rotation. Mr. Cui, being eligible, will offer himself for re-election as Director at the Annual General Meeting. Mr. Cai will not offer himself for re-election at the Annual General Meeting.

Further, in accordance with Article 112 of the Articles, Mr Chen Yunhua (appointed by the Board as non-executive Director with effect from 13 November 2009) shall hold office only until the first general meeting after his appointment i.e. the Annual General Meeting and, being eligible; offer himself for re-election at the Annual General Meeting.

Brief biographical details of Mr Cui and Mr Chen are set out in Appendix I to this circular.

### VOTING AT THE ANNUAL GENERAL MEETING

Pursuant to Rule 13.39 of the Listing Rules, all vote of the Shareholders at the Annual General Meeting must be taken by poll.

### ACTIONS TO BE TAKEN

At the Annual General Meeting, ordinary resolutions will be proposed to approve, among other matters, the grant of the Issue Mandate, Repurchase Mandate and the Extension Mandate and the renewal of the 10% General Limit.

Whether or not you are able to attend the Annual General Meeting in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not later than 48 hours before the time for the Annual General Meeting or any adjournment thereof. Completion and return of appointed for the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish.

### RECOMMENDATION

The Directors believe that the proposed grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate are beneficial to the Company and the Shareholders as a whole.

The Directors believe that an exercise of the Issue Mandate will enable the Company to take advantage of market conditions to raise additional capital for the Company. The Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be exercised when the Directors believe that repurchases of Shares will benefit the Company and the Shareholders.

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## LETTER FROM THE BOARD

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An exercise of the Repurchase Mandate in full may have a material adverse impact on the working capital and/or gearing position of the Company compared with that as at 31 December 2009, being the date of its latest audited consolidated financial statements. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing of the Company.

The Directors also believe that the renewal of the 10% General Limit can provide the Company with greater flexibility in granting options to eligible persons and is in the best interest of the Company and its Shareholders as a whole. Accordingly, the Directors recommend Shareholders to vote in favour of the ordinary resolutions for approving the proposed grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate, the proposed renewal of the 10% General Limit and the re-election of the Directors at the Annual General Meeting.

### RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors of the Company collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

### GENERAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

Yours faithfully,  
For and on behalf of the Board of  
**Yue Da Mining Holdings Limited**  
**CHEN Yunhua**  
*Chairman*

The brief biographical details of the Directors eligible for re-election at the Annual General Meeting are set out below:

**Mr Cui Shuming (“Mr Cui”)**

Mr. CUI Shuming, aged 72, has been appointed as an independent non-executive director of the Company since January 2007. He is a senior economist in the PRC and graduated from the People’s University of China. He has over 40 years’ experience in international finance and corporate planning and management. Mr. Cui was deputy head of the Bank of China, Jiangsu Branch, and managing director of the National Commercial Bank Ltd. (浙江興業銀行) and the general manager of its Hong Kong branch. Mr. Cui was a director and deputy chief executive officer of CITIC Ka Wah Bank Limited (currently known as CITIC International Financial Holdings Limited, the shares of which are listed on the Main Board of the Stock Exchange), a non executive director of Cheung Tai Hong Holdings Limited (currently known as ITC Properties Group Limited, the shares of which are listed on the Main Board of the Stock Exchange) and an independent non-executive director of Burwill Holdings Limited and China LotSynergy Holdings Limited, the shares of which are listed on the Main Board and the Growth Enterprise Market of the Stock Exchange respectively.

Save as disclosed above, Mr Cui did not hold other directorship in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas. Save as disclosed above, Mr Cui does not have or other major appointments and qualifications.

Save as disclosed and his being an independent non-executive Director, Mr Cui does not have any relationships with any Directors, substantial Shareholders or controlling Shareholders or senior management of the Company.

*Interests in the Shares*

As at the Latest Practicable Date, Mr Cui did not have any interest in the Shares or any underlying Shares of the Company within the meaning of Part XV of the SFO.

*Remuneration*

An appointment letter has been entered into between the Company and Mr Cui in respect of his appointment as an independent non-executive Director. Mr Cui shall hold the office of independent non-executive Director for a term of one year commencing on 2 January 2010, subject to rotation in accordance with the Company’s Articles. Pursuant to the appointment letter, Mr Cui is entitled to receive an annual director’s fee of HK\$250,000. The director’s fee payable to Mr Cui was determined by the Board by reference to the experience of Mr Cui and the prevailing practice in the industry.

**Mr Chen Yunhua (“Mr Chen”)**

Mr Chen Yunhua, aged 56, joined the Group in November 2009, is the Chairman of the Board, he is a senior economist in the PRC. He graduated from 鹽城師範專科學校 with post-secondary qualification, majoring in Chinese in 1977. He has over 30 years’ experience in political and economics business management. Previously, Mr Chen assumed supervisory posts at the PRC bureau at Yancheng City, Jiangsu Province, the PRC. He is a deputy to the tenth Provincial People’s Congress of Jiangsu, a deputy to the fourth Municipal People’s Congress of Yancheng, the vice president of the sixth Municipal Committee of the Chinese People’s Political Consultative Conference of Yancheng, a director of Yue Da Group (H.K.) Co., Limited and the chairman of the board of Jiangsu Yue Da. Jiangsu Yue Da is the sole shareholder of Yue Da Group (H.K.) Co., Limited which in turn is the controlling shareholder of the Company.

Save as disclosed above, Mr Chen did not hold other directorship in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas. Save as disclosed above, Mr Chen does not have other major appointments and qualifications.

Save as disclosed and his being a non-executive Director and Chairman of the Company, Mr Chen does not have any relationships with any Directors, substantial Shareholders or controlling Shareholders or senior management of the Company.

*Interests in the Shares*

As at the Latest Practicable Date, Mr Chen is interested in 1,500,000 Shares, which represent Shares which would be allotted and issued upon the exercise in full of the options granted to Mr Chen on 19 April 2010 under the share option scheme of the Company. Save as disclosed as aforesaid, Mr Chen did not have any interest in the Shares or any underlying Shares of the Company within the meaning of Part XV of the SFO.

*Remuneration*

An appointment letter has been entered into between the Company and Mr Chen in respect of his appointment as a non-executive Director. Mr Chen shall hold the office of non-executive Director for a term of three years commencing on 2 January 2010, subject to rotation in accordance with the Company’s Articles. Pursuant to the appointment letter, Mr Chen is not entitled to any director’s fee.

**General**

Pursuant to Article 100 of the Articles, fees and remunerations payable to non-executive Directors and independent non-executive Directors are subject to the approval of the general meeting of the Company or the determination and approval by the Board as delegated by the general meeting.

Save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders nor other information to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules (particularly in relation to subparagraphs (h) to (v) therein), in relation to the proposed re-election of Mr Cui and Mr Chen.

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information as to the proposed Repurchase Mandate.

### **1. LISTING RULES RELATING TO THE REPURCHASE OF SHARES**

The Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their shares on the Stock Exchange and any other stock exchange on which the securities of the company are listed and such exchange is recognised by the Securities and Futures Commission of Hong Kong subject to certain restrictions. Among such restrictions, the Listing Rules provide that the shares of such company must be fully paid up and all repurchase of shares by such company must be approved in advance by an ordinary resolution of shareholders, either by way of a general repurchase mandate or by specific approval of a particular transaction.

### **2. SHARE CAPITAL**

As at Latest Practicable Date, there were a total of 652,114,098 Shares in issue.

Subject to the passing of the proposed resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, the Company will be allowed under Repurchase Mandate to repurchase a maximum of 65,211,409 Shares.

### **3. REASONS FOR THE REPURCHASE**

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to seek a general authority from the Shareholders to enable the Company to repurchase the Shares on the Stock Exchange or any other stock exchange on which the Shares are listed. Share repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such repurchase will benefit the Company and the Shareholders.

### **4. FUNDING OF REPURCHASES**

In repurchasing the Company's securities, the Company may only apply funds legally available for the purpose in accordance with the Company's memorandum of association, the Articles, the Companies Law and other applicable laws of the Cayman Islands.

Taking into account the current working capital position of the Company, the Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of the Company as compared with the position as at 31 December 2009, being the date of its latest audited consolidated financial statements. However, the Directors do not intend to make any repurchases to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing position of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

## 5. SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the 12 calendar months immediately preceding the Latest Practicable Date are as follows:

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
	<i>(Note 1)</i>	
April 2009	1.30	0.88
May 2009	1.185	1.015
June 2009	1.415	1.125
July 2009	1.31	1.14
August 2009	1.29	1.10
September 2009	1.18	1.10
October 2009	1.22	1.085
November 2009	1.39	1.15
December 2009	1.585	1.275
January 2010	1.775	1.36
February 2010	1.57	1.24
March 2010	1.55	1.27
April 2010 <i>(Note 2)</i>	1.86	1.43

*Notes:*

1. The prices are adjusted ones to reflect the open offer of the Company which was completed on 4 March 2010.
2. up to the Latest Practicable Date.

## 6. THE TAKEOVERS CODE AND MINIMUM PUBLIC HOLDING

If a Shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase Shares pursuant to the Repurchase Mandate (if approved to be granted by Shareholders at the Annual General Meeting), such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert (as defined in the Takeovers Code) could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 or Rule 32 of the Takeovers Code.



As at the Latest Practicable Date, according to the register kept by the Company pursuant to section 336 of the SFO and so far as is known to, or can be ascertained after reasonable enquiry by the Directors, the following persons were directly or indirectly interested in 5% or more of the issued capital of the Company. Their respective interest as at the Latest Practicable Date is shown under the column “Before purchase” while their respective interest in the event that the Directors exercise in full the power to repurchase Shares in accordance with the terms of the ordinary resolutions in relation to the Repurchase Mandate to be proposed at the Annual General Meeting (and assuming that the issued share capital of the Company remains unchanged up to the date of the Annual General Meeting) is shown under the column “After purchase”.

	<b>Before repurchase</b>	<b>After repurchase</b>
Yue Da Group (H.K.) Co., Limited	36.88%	40.98%
	<i>(Note 1)</i>	
Jiangsu Yue Da Group Company Limited (江蘇悅達集團有限公司)	36.88%	40.98%
Feilong Holdings Limited <i>(Note 2)</i>	6.24%	6.93%
Pure Talent Investments Limited <i>(Note 2)</i>	6.24%	6.93%
Yang Long <i>(Note 2)</i>	6.24%	6.93%

*The above are calculated based on issued Shares of 652,114,098 as at the Latest Practicable Date.*

*Notes:*

1. These Shares are registered in the name of Yue Da Group (H.K.) Co., Limited. Jiangsu Yue Da Group Company Limited holds the entire issued share capital of Yue Da Group (H.K.) Co., Limited.
2. The entire issued share capital of Feilong Holdings Limited is held by Pure Talent Investments Limited, which is wholly owned by Yang Long.

On the basis of the shareholding held by the shareholders named above, an exercise of the Repurchase Mandate in full will result in Yue Da Group (H.K.) Co., Limited becoming obliged to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors have no intention to exercise the Repurchase Mandate to such an extent that will result in Yue Da Group (H.K.) Co., Limited becoming obliged to make such a mandatory offer.

Assuming that there is no issue of Shares between the date of this circular and the date of a repurchase and no disposal by any of the substantial Shareholders of their interests in the Shares, an exercise of the Repurchase Mandate whether in whole or in part will not result in less than 25% of the Shares being held by the public. In any event, the Directors have no intention to exercise the Repurchase Mandate to an extent as may result in a public shareholding of less than 25%.

**7. SHARE REPURCHASE MADE BY THE COMPANY**

In the six months immediately preceding the Latest Practicable Date, the Company had not repurchased its Shares.

**8. GENERAL**

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates have any present intention to sell any Shares to the Company if the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that they will only exercise the power of the Company to make repurchase pursuant to the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

No connected person of the Company has notified the Company that he has a present intention to sell any Shares to the Company nor has any such connected person undertaken not to sell any Shares held by him to the Company in the event that the Repurchase Mandate is granted.

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## NOTICE OF THE ANNUAL GENERAL MEETING

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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)**

## NOTICE OF THE ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the annual general meeting of Yue Da Mining Holdings Limited (“**Company**”) will be held at Office Nos. 3321–3323 & 3325, 33/F., China Merchants Tower, Shun Tak Centre, No. 168–200 Connaught Road Central, Hong Kong at 10:00 a.m. on Wednesday, 26 May 2010 to consider and, if thought fit, transact the following ordinary business:

1. to receive and consider the audited consolidated financial statements and the reports of the directors of the Company (“**Directors**”) and the Company’s auditors for the year ended 31 December 2009;
2. the re-election of the retiring directors and the other matters set out in this resolution to be considered and (if considered appropriate by shareholders) passed as a separate resolution to re-elect the retiring directors (namely, Mr Cui Shuming and Mr Chen Yunhua), to fix the maximum number of Directors for the time being at 20, and to authorise the board of the Directors (“**Board**”) to fill vacancies on the Board, to fix the Directors’ remuneration and to fix the remuneration of any committee of the Board;
3. to re-appoint the Company’s independent auditors and to authorise the Board to fix their remuneration;

and, as special business, to consider and, if thought fit, pass the following resolutions as ordinary resolutions:

4. “**THAT:**
  - (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”), the exercise by the Directors during the Relevant Period of all the powers of the Company to allot, issue and deal with the unissued shares

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## NOTICE OF THE ANNUAL GENERAL MEETING

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(each, a “**Share**”) of HK\$0.10 each in the capital of the Company and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;

(b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period (as defined in paragraph (d) below) to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;

(c) the aggregate nominal amount of share capital allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue; or (ii) the exercise of any options granted under all share option schemes of the Company adopted from time to time in accordance with the Listing Rules; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of associations of the Company (“**Articles**”) in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares shall not exceed the aggregate of:

(aa) 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution; and

(bb) (if the directors of the Company are so authorised by a separate ordinary resolution of the shareholders of the Company) the aggregate nominal amount of any share capital of the Company purchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution),

and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

(d) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or the applicable law of the Cayman Islands to be held; or

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## NOTICE OF THE ANNUAL GENERAL MEETING

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- (iii) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors by this resolution;

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the directors of the Company to holders of Shares on the Company’s register of members on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

5. “**THAT:**

- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period of all powers of the Company to purchase Shares (each, a Share) of HK\$0.10 each in the capital of the Company on The Stock Exchange of the Hong Kong Limited (“**Stock Exchange**”), or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission of Hong Kong, the Stock Exchange, the Companies Law and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares which may be purchased or agreed to be purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period (as defined in paragraph (c) below) shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (c) for the purposes of this resolution, “**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:
  - (i) the conclusion of the next annual general meeting of the Company;

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## NOTICE OF THE ANNUAL GENERAL MEETING

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- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or the applicable law of the Cayman Islands to be held; or
  - (iii) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors by this resolution.”
- 6. “**THAT** conditional on the passing of resolutions numbered 4 and 5 above, the Issue Mandate granted to the Directors pursuant to paragraph (a) of resolution numbered 4 above be and it is hereby extended by the addition to the aggregate nominal amount of the shares which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to or in accordance with such Issue Mandate of an amount representing the aggregate nominal amount of the share capital of the Company purchased or agreed to be purchased by the Company pursuant to or in accordance with the authority granted under paragraph (a) of resolution numbered 5 above.”
- 7. “**THAT** subject to and conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, such number of shares of the Company which may fall to be allotted and issued pursuant to the exercise of the options which may be granted under the share option scheme of the Company which became effective on 29 November 2001 (“**Share Option Scheme**”), representing 10 per cent. of the issued share capital of the Company as at the day on which this resolution is passed, pursuant to Clause 8.2(a) of the Share Option Scheme:
  - (a) approval be and is hereby granted for refreshing the 10 per cent. mandate under the Share Option Scheme (“**Refreshed Scheme Mandate**”) provided that the total number of shares of the Company which may be allotted and issued upon the exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company under the limit as refreshed hereby shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the day on which this resolution is passed (options previously granted under the Share Option Scheme and any other share option schemes of the Company (including options outstanding, cancelled, lapsed or exercised in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company) shall not be counted for the purpose of calculating the Refreshed Scheme Mandate); and

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## NOTICE OF THE ANNUAL GENERAL MEETING

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- (b) the Directors or a duly authorised committee thereof be and they are hereby authorised: (i) at their absolute discretion, to grant options to subscribe for shares of the Company within the Refreshed Scheme Mandate in accordance with the rules of the Share Option Scheme, and (ii) to allot, issue and deal with shares of the Company pursuant to the exercise of options granted under the Share Option Scheme within the Refreshed Scheme Mandate.”

For and on behalf of the Board  
**Yue Da Mining Holdings Limited**  
**Chen Yunhua**  
*Chairman*

Hong Kong, 30 April 2010

*Registered office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Principal place of business in Hong Kong:*

Office Nos. 3321–3323 & 3325  
33/F, China Merchants Tower  
Shun Tak Centre  
No. 168–200 Connaught Road Central  
Hong Kong

**Notes:**

- 1 A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more than one proxy to attend and, subject to the provisions of the articles of association of the Company, vote in his stead. A proxy need not be a member of the Company.
- 2 To be valid, the form of proxy together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority must be deposited at the offices of the Company’s Hong Kong branch registrar, Hong Kong Registrars Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 48 hours before the time of the above meeting or any adjourned meeting.
- 3 In relation to proposed resolution no. 2, each of Mr Cui Shuming and Mr Chen Yunhua will retire from their office of Directors at the above meeting pursuant to the Articles and, being eligible, offer himself for re-election.
- 4 In relation to proposed resolution numbered 4 above, approval is being sought from the Shareholders for the grant to the Directors of a general mandate to authorise the allotment and issue of shares under the Listing Rules. The Directors have no immediate plans to issue any new Shares under such general issue mandate to be sought at the Annual General Meeting other than Shares which may fall to be issued under the Share Option Scheme or any scrip dividend scheme which may be approved by Shareholders.

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- 5 In relation to proposed resolution numbered 5 above, the Directors wish to state that they will exercise the powers conferred thereby to repurchase shares in circumstances which they deem appropriate for the benefit of the Shareholders. An explanatory statement containing the information necessary to enable the Shareholders to make an informed decision to vote on the proposed resolution as required by the Listing Rules is set out in Appendix II to this circular of which this notice of the Annual General Meeting forms part.
- 6 Delivery of an instrument appointing a proxy should not preclude a member from attending and voting in person at the above meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
- 7 In the case of joint holders of a share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto to if more than one of such joint holders are present at the above meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.