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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 OPEN OFFER OF
NOT LESS THAN 228,922,969 OFFER SHARES
AND NOT MORE THAN 234,320,201 OFFER SHARES
ON THE BASIS OF ONE OFFER SHARE
FOR EVERY THREE EXISTING SHARES
HELD ON THE RECORD DATE, AND
(2) APPLICATION OF WHITEWASH WAIVER**

Underwriter to the Open Offer

Yue Da Group (H.K.) Co., Limited

PROPOSED OPEN OFFER

The Company proposes to issue not less than 228,922,969 Offer Shares and not more than 234,320,201 Offer Shares, at the Subscription Price of HK\$0.5 per Offer Share on the basis of one Offer Share for every three existing Shares in issue on the Record Date. The proposed Open Offer is intended to raise funds in the range of about HK\$114 million to HK\$117 million (before expenses). The Open Offer is only available to Qualifying Shareholders and will not be extended to Non-Qualifying Shareholders.

Pursuant to the Underwriting Agreement, YDHK has undertaken to the Company, among other matters, that: (i) YDHK together with parties acting in concert with it will remain to be the controlling shareholder (as defined in the Listing Rules) of the Company from the date of the Underwriting Agreement up to the Latest Time for Termination; (ii) the Shares owned by YDHK will remain registered in its name or in the name of its nominee(s) and beneficially owned by YDHK (or, as the case may be, such parties acting in concert with it) from the date of the Underwriting Agreement up to the Record Date and will continue to have registered address in Hong Kong; (iii) it will accept the acceptance by the Latest Acceptance Time of the 84,005,333 Offer Shares which will be provisionally allotted to YDHK in respect of the Shares registered in its name or the name of its nominee on the date of the Underwriting Agreement; and (iv) it will not (and it 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 the any of the Shares held by it unless in accordance with the Listing Rules, the Takeovers Code and/or the conditions (if any) attached to the Whitewash Waiver granted.

Pursuant to the Underwriting Agreement, YDHK has conditionally agreed to fully underwrite all the Offer Shares. Details of the major terms and conditions of the Underwriting Agreement are set out in the section headed “Underwriting arrangements” of this announcement.

The last day of dealings in the Shares on the Stock Exchange on a cum-entitlement basis will be 30 January 2012. The Shares will be dealt in on an ex-entitlement basis on the Stock Exchange from 31 January 2012. To qualify for the Open Offer, a Qualifying Shareholder’s name must appear on the register of members of the Company on the Record Date, which is currently expected to be 8 February 2012. 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 Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong by 4:30 p.m. on 1 February 2012.

WARNING OF THE RISK OF DEALINGS IN SHARES

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

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.

WHITEWASH WAIVER

In the event that no Qualifying Shareholder (other than YDHK and parties acting in concert with it) takes up any Offer Shares under the Open Offer and assuming no Outstanding Options are exercised on or before the Record Date, YDHK (being the Underwriter) has agreed to subscribe for and take up 144,917,636 Offer Shares that are not subscribed for under the Open Offer pursuant to the Underwriting Agreement. Accordingly, the subscription for and underwriting of the Offer Shares under the Open Offer by YDHK may result in the aggregate shareholdings in the Company of YDHK and parties acting in concert with it being increased from approximately 36.94% to approximately 52.70% (assuming no outstanding Share Options are exercised on or before the Record Date), or to approximately 52.37% (assuming all the Outstanding Options are exercised in full on or before the Record Date) and may trigger an obligation for YDHK and parties acting in concert with it to make a mandatory offer under Rule 26 of the Takeovers Code for all the Shares and securities issued by the Company not already held by YDHK and parties acting in concert with it. A formal application will be made by YDHK to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, would be subject to, among other things, the approval of the Independent Shareholders at the EGM by way of poll. If the Whitewash Waiver is not granted by the Executive, the Open Offer will not proceed.

The Open Offer and the Whitewash Waiver are conditional on, among other matters, the approval of the Open Offer and the Whitewash Waiver by the Independent Shareholders at the EGM. As at the date of this announcement, YDHK is interested in an aggregate of 252,016,000 Shares, representing approximately 36.70% of the existing issued share capital of the Company. The sole ultimate beneficial owner of YDHK is Jiangsu YD which is a State-owned enterprise established in the PRC. As at the date of this announcement, YDHK and parties acting in concert with it who have interest in the Shares include (in addition to YDHK):

- (i) Mr. Liu Xiaoguang who is an executive Director and also a director of YDHK; he currently holds 600,000 Shares and is deemed to be interested in 701,730 Shares (representing underlying Shares which would be allotted and issued upon the exercise in full of the Share Options granted to him);
- (ii) Mr. Chen Yunhua who is a non-executive Director and a director of each of YDHK and Jiangsu YD; he is deemed to be interested in 1,500,000 Shares (representing underlying Shares which would be allotted and issued upon the exercise in full of the Share Options granted to him);
- (iii) Mr. Qi Guang Ya who is a non-executive Director and a director of Jiangsu YD; he is deemed to be interested in 701,730 Shares (representing underlying Shares which would be allotted and issued upon the exercise in full of the Share Options granted to him); and
- (iv) Mr. Pan Wanqu who is a director of Jiangsu YD and who currently holds 1,020,000 Shares.

YDHK and parties acting in concert with it including Mr. Liu Xiaoguang, Mr. ChenYunhua, Mr. Qi Guang Ya and Mr. Pan Wanqu shall abstain from voting on the resolution for approving the Open Offer and the Whitewash Waiver to be proposed at the EGM. Mr. Dong Li Yong, Mr. Hu Huaimin (both being the executive Directors and Shareholders) and Shareholders who are involved in or interested in the Underwriting Agreement or the Open Offer or the Whitewash Waiver or the transactions contemplated thereby are also required to abstain from voting at the EGM.

LISTING RULES IMPLICATIONS

The entering into the Underwriting Agreement between the Company and the Underwriter is a connected transaction under the Listing Rules. Pursuant to Rule 14A.31(3)(c) of the Listing Rules, provided that Rule 7.26A(2) of the Listing Rules has been complied with, the Underwriting Agreement will be exempted from the reporting, announcement and independent shareholders approval requirements.

GENERAL

A circular containing, among other matters, details of the Underwriting Agreement, the Open Offer and the Whitewash Waiver and (i) a letter from the Independent Board Committee to the Independent Shareholders setting out their advice and recommendations in relation to the Underwriting Agreement, the Open Offer and the Whitewash Waiver; (ii) letters from Athens Capital Limited and Guotai Junan Capital Limited respectively as the joint independent financial advisers appointed to the Independent Board Committee and the Independent Shareholders in relation to the Underwriting Agreement, the Open Offer and the Whitewash Waiver; 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.

PROPOSED OPEN OFFER

Basis of the Open Offer

Basis of the Open Offer	:	One Offer Share for every three existing Shares held on the Record Date and payable in full upon application
Number of shares in issue as at the date of this announcement	:	686,768,907 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 thereto subscription right to subscribe for up to 16,191,696 Shares

Number of Offer Shares : Not less than 228,922,969 Offer Shares and not more than 234,320,201 Offer Shares

The aggregate nominal value of the total Offer Shares will not be less than HK\$22,892,296.9 and not more than HK\$23,432,020.1

Subscription Price : HK\$0.5 per Offer Share

The net Subscription Price for each Offer Share is approximately HK\$0.47

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) : 915,691,876 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) : 937,280,804 Shares

Application for excess Offer Shares : Available

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. 228,922,969 Offer Shares) pursuant to the terms of the Open Offer represent (i) 33.33% of the Company's issued shares of 686,768,907 Shares, and (ii) 25% of the enlarged issued share capital of the Company comprising 915,691,876 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 subscription right to subscribe for 16,191,696 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 234,320,201 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\$0.5 per Offer Share, payable in cash in full upon application. Such Subscription Price represents:

- (i) a discount of approximately 30.56% to the closing price of HK\$0.72 per Share as quoted on the Stock Exchange on 15 December 2011 (the last trading price of the Shares immediately prior to the signing of the Underwriting Agreement);
- (ii) a discount of approximately 29.38% to the average closing price of HK\$0.708 per Share for the five trading days up to and including 15 December 2011;
- (iii) a discount of approximately 31.13% to the average closing price of HK\$0.726 per Share for the ten trading days up to and including 15 December 2011; and
- (iv) a discount of approximately 24.81% to the theoretical ex-entitlement price of HK\$0.665 per Share based on the closing price as quoted on the Stock Exchange on 15 December 2011.

The Subscription Price was arrived at after arm's length negotiation between the Company and YDHK (being the Underwriter) 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) consider that the terms of the Open Offer, including the determination of the Subscription Price is 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

The Company will not provisionally allot fractions of Offer Shares. All fractions of Offer Shares will be aggregated and made available for excess application or underwritten by the Underwriter if the Open Offer is under-subscribed.

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, SFC 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”) 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; and
- (2) subject to availability of excess Offer Shares after allocation under principle (1) above, the excess Offer Shares will be allotted to Qualifying Shareholders who have applied for excess Offer Shares on pro-rata basis with reference to their number of excess Offer Shares applied for.

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.

According to the Underwriter, the Underwriter intends to apply for 150,000,000 excess Offer Shares subject to the availability of such excess Offer Shares according to the above allocation principles.

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 5 March 2012 by ordinary post 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 5 March 2012 by ordinary post 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 1 February 2012. The last day of dealings in Shares on a cum-entitlements basis is therefore expected to be 30 January 2012. The Shares will be dealt with on an ex-entitlement basis from 31 January 2012. The Company's share registrar in Hong Kong is Hong Kong Registrars Limited at Shops 1712–1716, 17th 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 Shareholder 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 on 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 2 February 2012 to 8 February 2012 (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

As at the date of this announcement, YDHK was the owner of an aggregate of 252,016,000 Shares (“**YDHK Owned Shares**”), representing approximately 36.70% of the existing issued share capital of the Company. Pursuant to the Open Offer, YDHK will be entitled to subscribe for a maximum of 84,005,333 Offer Shares. Pursuant to the Underwriting Agreement, YDHK has undertaken to the Company among other matters, that: (i) YDHK together with parties acting in concert with it will remain to be the controlling shareholder (as defined in the Listing Rules) of the Company from the date of the Underwriting Agreement up to the Latest Time for Termination; (ii) the YDHK Owned Shares will remain registered in the same name or the name of its nominee(s) and beneficially owned by YDHK (or, as the case may be, such parties acting in concert with it) from the date of the Underwriting Agreement up to the Record Date and will continue to have registered address in Hong Kong; (iii) it will accept by the Latest Acceptance Time of the 84,005,333 Offer Shares which will be provisionally allotted to YDHK in respect of the YDHK Owned Shares registered in its name or the name of its nominee on the date of the Underwriting Agreement; and (iv) it will not (and it 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 the any of the Shares held by it unless in accordance with the Listing Rules, the Takeovers Code and/or the conditions (if any) attached to the Whitewash Waiver granted.

UNDERWRITING AGREEMENT

Issuer	:	the Company
Underwriter	:	YDHK
Number of Underwritten Shares	:	not less than 144,917,636 Offer Shares (assuming none of the Share Options are exercised on the Record Date) and not more than 150,314,868 Offer Shares (assuming all the Share Options are exercised on the Record Date) are agreed to be underwritten by YDHK subject to and on the conditions and terms of the Underwriting Agreement, being the total number of Offer Shares under the Open Offer

Commission : to YDHK, a commission of two per cent. of the aggregate Subscription Price in respect of the number of Offer Shares underwritten by YDHK 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) are of the opinion that the terms of the Underwriting Agreement and the amount of commission given to the Underwriter are fair as compared to the market practice and commercially reasonable as agreed between the Company and the Underwriter.

As at the date of this announcement, YDHK (being the Underwriter) is the owner of 252,016,000 Shares, representing approximately 36.70% of the existing issued share capital of the Company. As such, YDHK and the parties acting in concert with it are the connected persons (as defined in the Listing Rules) of the Company.

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 Underwriting Agreement, the Open Offer and the Whitewash Waiver together with proxy form and the notice of EGM;
- (2) the passing by the Independent Shareholders at the EGM by way of poll of ordinary resolutions to approve the Open Offer (if required by the SFC, the Stock Exchange or other regulatory authorities) and the Whitewash Waiver by no later than the Prospectus Posting Date;
- (3) the Executive granting the Whitewash Waiver to YDHK and parties acting in concert with it and the satisfaction of all conditions (if any) attached to the Whitewash Waiver granted;
- (4) 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;
- (5) the posting of the Prospectus Documents to the Qualifying Shareholders on or before the Prospectus Posting Date;
- (6) compliance with and performance of all the undertakings and obligations of the Company and the Underwriter under the terms of the Underwriting Agreement; and
- (7) YDHK, together with parties acting in concert with it, shall be and shall remain to be the controlling shareholders (as defined in the Listing Rules) of the Company.

None of the parties to the Underwriting Agreement may waive conditions (1) to (5) above (both inclusive) and condition (7). The Company may waive condition (6) above (so far as it relates to YDHK) in whole or in part by written notice to YDHK. The Underwriter may waive condition (6) above (so far as it relates to the Company) 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 (6), waived in whole or in part by the Company and/or the Underwriter (as the case may be)) on or before the Latest Acceptance Time (or such later time and/or date as the Company and the Underwriter may determine 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 Underwriter shall have any claim against the other party for costs, damages, compensation or otherwise and the Open Offer will not proceed.

Termination of the Underwriting Agreement

The Underwriting Agreement contains provisions granting the Underwriter, by notice in writing, the right to terminate the Underwriter's obligations thereunder on the occurrence of certain events. The Underwriter 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 the Underwriter 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 the Underwriter 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 hereof, 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 the Underwriter 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 prospects 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 the Underwriter 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 PRC 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 the Underwriter makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (c) the circular 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 hereof been publicly announced or published by the Company and which in the reasonable opinion of the Underwriter 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 the Underwriter 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 Underwriter 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 arrangements” 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 arrangements” 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				
	No. of Shares	Approximate %	Assuming no Shareholders (other than YDHK) 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 YDHK) 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 %
Underwriter:											
YDHK (also being a controlling shareholder of the Company) (Note 1)	252,016,000	36.70%	480,938,969	52.52%	336,021,333	36.70%	486,336,201	51.89%	336,021,333	35.85%	
Parties acting in concert with YDHK:											
Pan Wanqu (Note 2)	1,020,000	0.15%	1,020,000	0.11%	1,360,000	0.15%	1,020,000	0.11%	1,360,000	0.15%	
Liu Xiaoguang (Note 3)	600,000	0.09%	600,000	0.07%	800,000	0.09%	1,301,730	0.14%	1,735,640	0.18%	
Qi Guang Ya (Note 4)	—	—	—	—	—	—	701,730	0.07%	935,640	0.10%	
Chen Yunhua (Note 5)	—	—	—	—	—	—	1,500,000	0.16%	2,000,000	0.21%	
Sub-total for aggregate holdings of YDHK and parties acting in concert with it:	253,636,000	36.94%	482,558,969	52.70%	338,181,333	36.94%	490,859,661	52.37%	342,052,613	36.49%	
Other Directors:											
Dong Li Yong	3,000,000	0.44%	3,000,000	0.33%	4,000,000	0.44%	4,403,460	0.47%	5,871,280	0.63%	
Hu Huaimin	848,000	0.12%	848,000	0.09%	1,130,666	0.12%	1,959,072	0.21%	2,612,096	0.28%	
Public:	429,284,907	62.50%	429,284,907	46.88%	572,379,877	62.50%	440,058,611	46.95%	586,744,815	62.60%	
Total:	686,768,907	100%	915,691,876	100%	915,691,876	100%	937,280,804	100%	937,280,804	100%	

Notes:

- These Shares are owned by YDHK. Jiangsu YD holds the entire issued share capital of YDHK and is deemed to be interested in these Shares held by YDHK.
- Mr. Pan Wanqu is a director of Jiangsu YD.
- Mr. Liu Xiaoguang is an executive Director and also a director of YDHK.
- Mr. Qi Guang Ya is a non-executive Director and also a director of Jiangsu YD.
- Mr. Chen Yunhua is a non-executive Director and also a director of each of YDHK and Jiangsu YD.

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\$114 million to HK\$117 million (before expenses). The net proceeds from the Open Offer after deducting for expenses are estimated to be approximately HK\$108 million to HK\$110 million. The Company intends to use the net proceeds for the following purposes:

- (i) approximately HK\$50 million to HK\$70 million for the repayment of certain bank loans (“**Relevant Loan**”) which will be due on 28 June 2012; and
- (ii) the balance as general working capital or repayment of liabilities (other than bank loans) of the Group.

The principal amount of the Relevant Loan which will be due on 28 June 2012 is HK\$101,875,000, and the applicable interest rate is Hong Kong Inter-Bank Offered Rate (or commonly known as HIBOR) plus 3%. Shares in some of the BVI members of the Group, which directly or indirectly hold PRC companies, which in turn hold mining rights and other assets, have been pledged to the lender in connection with the Relevant Loan.

The Company has considered other alternatives to raise funds for repaying the Relevant Loan but given the current market condition and in order to avoid dilution of the existing shareholding of the Company, an open offer is considered to be in the best interest of the Company and the Shareholders as a whole. If the proposed Open Offer is not approved by the Independent Shareholders at the EGM, the Company will repay the Relevant Loan through re-financing from other bank(s), but a higher interest rate is expected to be charged.

The Open Offer will enlarge the capital base of the Company, which may facilitate long-term development of the Group. 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.

As disclosed in the announcement of the Company dated 26 September 2011, the acquisition (“**Tong Ling Acquisition**”) of 22% equity interest in 銅陵冠華礦業有限責任公司 (Tong Ling Guan Hua Mining Company Limited*) would be funded by the Group’s internal resources, bank borrowings or future fund raising from the capital market. Having regard to its cashflow position, the Company plans to finance such acquisition by the internally generated funds of the Group and also proceeds from the disposal of certain subsidiaries of the Company as mentioned in the Company’s announcement dated 16 August 2011.

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).

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

Hong Kong time

Despatch of circular and form of proxy of the EGM	On or before Monday, 9 January 2012
Latest time for lodging forms of proxy for the purpose of the EGM	10:00 a.m. on Wednesday 25 January 2012
EGM	10:00 a.m. on Friday, 27 January 2012
Poll results announcement of the EGM	Friday, 27 January 2012
Last day of dealings in Shares on cum-entitlement basis	Monday, 30 January 2012
First day of dealing in Shares on ex-entitlement basis	Tuesday, 31 January 2012
Latest time for lodging transfers of Shares in order to qualify for the Open Offer	4:30 p.m. Wednesday, 1 February 2012
Register of members of the Company closes (both days inclusive)	Thursday, 2 February 2012 to Wednesday, 8 February 2012
Record Date	Wednesday, 8 February 2012
Despatch of the Prospectus Documents	Thursday, 9 February 2012
Latest time for acceptance of and payment for Offer Shares and application for excess Offer Shares	4:00 p.m. on Thursday, 23 February 2012
Latest time for the Open Offer to become unconditional	4:00 p.m. on Monday, 27 February 2012
Announcement of results of acceptance of the Open Offer	Friday, 2 March 2012
Despatch of certificates for Offer Shares and refund cheques for unsuccessful excess application on or before	On or before Monday, 5 March 2012
Commencement of dealings in Offer Shares	Wednesday, 7 March 2012

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 12 MONTHS

The Company has not conducted any equity fund raising exercise in the 12 months immediately preceding the date of this announcement.

WHITEWASH WAIVER

As at the date of this announcement, the sole ultimate beneficial owner of YDHK (being the Underwriter) is Jiangsu YD which is a State-owned enterprise established in the PRC.

YDHK together with its ultimate beneficial owner (namely, Jiangsu YD) and parties acting in concert with it are beneficially interested in 253,636,000 Shares, representing approximately 36.94% of the issued share capital of the Company as at the date of this announcement. (For the avoidance of doubt, underlying Shares which may be issued upon the exercise of the Outstanding Options held by some of the Directors (namely, Messrs Liu Xiaoguang, Chen Yunhua and Qi Guang Ya) who are deemed to be parties acting in concert with the Underwriter are not taken into account in the calculation of the said 253,636,000 Shares.)

In the event that no Qualifying Shareholder (other than YDHK and parties acting in concert with it) takes up any Offer Shares under the Open Offer and assuming no Outstanding Options are exercised on or before the Record Date, YDHK (being the Underwriter) has agreed to subscribe for and take up 144,917,636 Offer Shares that are not subscribed for under the Open Offer pursuant to the Underwriting Agreement. Accordingly, the subscription for and underwriting of the Offer Shares under the Open Offer by YDHK may result in the aggregate shareholding in the Company of YDHK and parties acting in concert with it being increased from approximately 36.94% to approximately 52.70% (assuming no Outstanding Options are exercised on or before the Record Date), or to approximately 52.37% (assuming all the Outstanding Options are exercised in full on or before the Record Date) and may trigger an obligation for YDHK and parties acting in concert with it to make a mandatory offer under Rule 26 of the Takeovers Code for all the Shares and securities issued by the Company not already held by YDHK and parties acting in concert with it. Under the 2% creeper mentioned in the Takeovers Code, YDHK and parties acting in concert with it may increase their aggregate shareholding from the lowest percentage shareholding in the past 12 months of approximately 36.94% to approximately 38.94% without incurring a mandatory offer obligation. The possible increase of the aggregate shareholding of YDHK and parties acting in concert with it of approximately 15.76% from approximately 36.94% to approximately 52.70% (assuming no Outstanding Options are exercised on or before the Record Date) as a result of the subscription for and the underwriting of the Offer Shares under the Open Offer by YDHK represents an approximately 13.76% increase over and above the limit allowed by the 2% creeper (52.70% less 38.94%).

In the event that all the Outstanding Options are exercised in full on or before the Record Date, the possible increase of the aggregate shareholding of YDHK and parties acting in concert with it of approximately 15.43% from approximately 36.94% to approximately 52.37% as a result of the subscription and the underwriting of the Offer Shares under the Open Offer by YDHK represents an approximately 13.43% increase over and above the limit allowed by the 2% creeper (52.37% less 38.94%).

A formal application will be made by YDHK to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, would be subject to, among other things, the approval of the Independent Shareholders at the EGM by way of poll. At the EGM, YDHK and parties acting in concert with it (including, (i) Mr. Liu Xiaoguang being an executive Director and a director of YDHK; (ii) Mr. Chen Yunhua being a non-executive Director and a director of each of YDHK and Jiangsu YD; (iii) Mr. Qi Guang Ya being a non-executive Director and a director of Jiangsu YD; and (iv) Mr. Pan Wanqu being a director of Jiangsu YD) will abstain from voting on the relevant resolution. Mr. Dong Li Yong, Mr. Hu Huaimin (both being the executive Directors and Shareholders) and Shareholders who are involved in or interested in the Underwriting Agreement or the Open Offer or the Whitewash Waiver or the transactions contemplated thereby are also required to abstain from voting at the EGM. It is a condition precedent to the completion of the Open Offer that the Whitewash Waiver is granted by the Executive. If the Whitewash Waiver is not granted by the Executive or if the condition imposed thereon is not fulfilled, the Open Offer will not proceed.

As at the date of this announcement, other than (i) approximately 36.94% of the issued share capital of the Company beneficially owned by YDHK and parties acting in concert with it; (ii) the 701,730 Shares, 1,500,000 Shares and 701,730 Shares owned by Mr. Liu Xiaoguang, Mr. Chen Yunhua and Mr. Qi Guang Ya respectively representing underlying Shares which may be issued to them upon the exercise in full of the respective Share Options granted to them; (iii) the transactions contemplated under the Underwriting Agreement; and (iv) the intention of YDHK to apply for 150,000,000 excess Offer Shares subject to the availability of such excess Offer Shares as disclosed in this announcement, YDHK and parties acting in concert with it do not hold any other shareholding interests, or control the right of direction or hold any convertible securities, warrants or options of the Company, or any outstanding derivative in respect of securities in the Company.

Save for the underwriting arrangement and YDHK's undertaking to accept the 84,005,333 Offer Shares which will be provisionally allotted to it under the Open Offer in respect of the YDHK Owned Shares as provided under the Underwriting Agreement and the intention of YDHK to apply for 150,000,000 excess Offer Shares subject to the availability of such excess Offer Shares as disclosed in this announcement:

- (a) neither YDHK nor any party acting in concert with it has received any irrevocable commitment to accept or reject the Offer Shares or to vote in favour of or against the resolutions in respect of the Open Offer or the Whitewash Waiver;
- (b) there are no agreements or arrangements to which it is a party which relate to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Open Offer;

- (c) there was no other arrangement (whether by way of option, indemnity or otherwise) in relation to the shares of YDHK, parties acting in concert with it which are corporate entities or the Company and which may be material to the Whitewash Waiver and/or the Open Offer; and
- (d) neither YDHK nor any party acting in concert with it borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company.

DEALINGS OF THE SHARES BY YDHK AND ITS CONCERT PARTIES

As confirmed by YDHK, neither YDHK nor any of the parties acting in concert with it in the six months prior to the date of this announcement have acquired any voting rights of the Company or dealt in any of the Shares.

EGM

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

As at the date of this announcement, YDHK and parties acting in concert with it who have interest in the Shares include (in addition to YDHK):

- (i) Mr. Liu Xiaoguang who is an executive Director and also a director of YDHK; he currently holds 600,000 Shares and is deemed to be interested in 701,730 Shares (representing underlying Shares which would be allotted and issued upon the exercise in full of the Share Options granted to him);
- (ii) Mr. Chen Yunhua who is a non-executive Director and a director of each of YDHK and Jiangsu YD; he is deemed to be interested in 1,500,000 Shares (representing underlying Shares which would be allotted and issued upon the exercise in full of the Share Options granted to him);
- (iii) Mr. Qi Guang Ya who is a non-executive Director and a director of Jiangsu YD; he is deemed to be interested in 701,730 Shares (representing underlying Shares which would be allotted and issued upon the exercise in full of the Share Options granted to him); and
- (iv) Mr. Pan Wanqu who is a director of Jiangsu YD and who currently holds 1,020,000 Shares.

YDHK and parties acting in concert with it including Mr. Liu Xiaoguang, Mr. Chen Yunhua, Mr. Qi Guang Ya and Mr. Pan Wanqu shall abstain from voting on the resolution to approve the Open Offer and the Whitewash Waiver to be proposed at the EGM in accordance with the Takeovers Code. Mr. Dong Li Yong, Mr. Hu Huaimin (both being the executive Directors and Shareholders) and Shareholders who are involved in or interested in the Underwriting Agreement or the Open Offer or the Whitewash Waiver or the transactions contemplated thereby are also required to abstain from voting at the EGM.

LISTING RULES IMPLICATIONS

The entering into the Underwriting Agreement between the Company and the Underwriter is a connected transaction under the Listing Rules. Pursuant to Rule 14A.31(3)(c) of the Listing Rules, provided that Rule 7.26A(2) of the Listing Rules has been complied with, the Underwriting Agreement will be exempted from the reporting, announcement and independent shareholders approval requirements.

GENERAL

The principal activities of the Group consist of exploration, mining, processing and sale of zinc, lead, iron and gold ore, and the management and operation of a toll highway.

The Company has established the Independent Board Committee to advise the Independent Shareholders as to whether the terms of the Underwriting Agreement, the Open Offer and the Whitewash Waiver 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 of Athens Capital Limited and Guotai Junan Capital Limited, the joint independent financial advisers appointed by the Company for the purpose of the Underwriting Agreement, the Open Offer and the Whitewash Waiver. In this connection, the Independent Board Committee has appointed Athens Capital Limited and Guotai Junan Capital Limited as the joint independent financial advisers to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Underwriting Agreement, the Open Offer and the Whitewash Waiver 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.

The Independent Board Committee comprises Ms. Leung Mei Han, Mr. Cui Shu Ming, Mr. Han Run Sheng and Dr. Liu Yongping, all being independent non-executive Directors who have no direct or indirect interest in the Underwriting Agreement, the Open Offer, the Whitewash Waiver and the transactions contemplated thereunder. The non-executive Directors of the Company (namely, Mr. Chen Yunhua and Mr. Qi Guang Ya) are deemed to be parties acting in concert with YDHK in view of their positions in YDHK and/or Jiangsu YD and accordingly they are not appointed as members of the Independent Board Committee.

A circular containing, among other matters, details of the Underwriting Agreement, the Open Offer and the Whitewash Waiver and (i) a letter from the Independent Board Committee to the Independent Shareholders setting out their advice and recommendations in relation to the Underwriting Agreement, the Open Offer and the Whitewash Waiver; (ii) letters from Athens Capital Limited and Guotai Junan Capital Limited respectively, the joint independent financial advisers appointed by the Company for the purpose of the Underwriting Agreement, the Open Offer and the Whitewash Waiver to the Independent Board Committee and the Independent Shareholders in relation to the Underwriting Agreement, the Open Offer and the Whitewash Waiver; 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 and the Takeovers Code.

DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under Chapters 1 and 14A of 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 9:00 a.m. and 4:00 p.m.) on which banks generally are open for business in Hong Kong
“BVI”	British Virgin Islands
“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
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering the Whitewash Waiver
“Executive”	the Executive Director of the Corporate Finance Division of the SFC and any delegate of the Executive Director
“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 PRC
“Independent Board Committee”	a committee of the Board (comprising Ms. Leung Mei Han, Mr. Cui Shu Ming, Mr. Han Run Sheng and Dr. Liu Yongping, all being independent non-executive Directors who have no direct or indirect interest in the Underwriting Agreement, the Open Offer, the Whitewash Waiver and the transactions contemplated thereunder) constituted to advised the Independent Shareholders on the Underwriting Agreement, the Open Offer and the Whitewash Waiver
“Independent Shareholders”	Shareholders other than (i) YDHK (being a controlling Shareholder as at the date of this announcement) and its associates and the parties acting in concert with it and its associates and (ii) any Shareholders who are involved or interested in the Underwriting Agreement or the Open Offer or the Whitewash Waiver or the transactions contemplated thereby

“Jiangsu YD”	Jiangsu Yue Da Group Company Limited, the sole shareholder of YDHK and a State-owned enterprise established in the PRC which its direct supervisory body is 中國江蘇省鹽城市人民政府 (the People’s Government of Yancheng City, Jiangsu Province, the PRC*)
“Latest Acceptance Time”	4:00 p.m. on 23 February 2012 or such other time as may be agreed between the Company and the Underwriter, being the latest time for acceptance of the offer of 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 the Underwriter 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
“Offer Share(s)”	not less than 228,922,969 new Shares and not more than 234,320,201 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 three existing Shares to the Qualifying Shareholders at the Subscription Price, pursuant to the terms and conditions of the issue
“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
“parties acting in concert”	has the meaning ascribed to it under the Takeovers Code
“PRC”	the People’s Republic of China, excluding, for the purpose of this announcement only and unless the content otherwise requires, Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“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”	8 February 2012 or such later date as may be agreed between the Company and the Underwriter
“SFC”	the Hong Kong Securities and Futures Commission
“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 16,191,696 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\$0.5 per Offer Share
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers and Share Repurchases
“Underwriting Agreement”	the underwriting agreement dated 15 December 2011 entered into between the Company and the Underwriter in relation to the Open Offer
“Underwritten Shares”	all the Offer Shares, being not less than 144,917,636 Offer Shares and not more than 150,314,868 Offer Shares
“Whitewash Waiver”	a waiver from the Executive pursuant to note 1 of the Notes on dispensations from Rule 26 of the Takeovers Code in respect of the obligations of YDHK and parties acting in concert with it to make a mandatory offer for all the securities of the Company not already owned or agreed to be acquired by YDHK or parties acting in concert with it which would otherwise arise as a result of YDHK subscribing for the Offer Shares
“YDHK” or “Underwriter”	Yue Da Group (H.K.) Co., Limited, a controlling shareholder of the Company and a wholly-owned subsidiary of Jiangsu YD as at the date of this announcement
“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, 15 December 2011

As at the date of this announcement, the Board comprises the following members: (a) as executive Directors, Mr. Dong Li Yong, Mr. Liu Xiaoguang and Mr. Hu Huaimin; (b) as non-executive Directors, Mr. Chen Yunhua and Mr. Qi Guang Ya; and (c) as independent non-executive Directors, Ms. Leung Mei Han, Mr. Cui Shu Ming, Mr. Han Run Sheng and Dr. Liu Yongping.

All Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statements in this announcement misleading.

* *for identification purpose only*