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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)

Discloseable transaction: acquisition of equity and loan interests in Morel Well Enterprises Limited

The Board announces that on 8 April 2011, the Purchaser (a wholly-owned subsidiary of the Company) acquired the Sale Shares and the Sale Loan from the Vendor at a total consideration of RMB22.5 million.

As the applicable percentage ratios for the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company pursuant to Rule 14.06(2) of the Listing Rules.

THE ACQUISITION

The Board announces that on 8 April 2011, the Purchaser (a wholly-owned subsidiary of the Company) acquired the Sale Shares and the Sale Loan from the Vendor at a total consideration of RMB22.5 million.

The Acquisition was effected by way of an instrument of transfer and an assignment of loan in relation to the Sale Shares and Sale Loan respectively, both dated 8 April 2011 and entered into between the Vendor and the Purchaser. No sale and purchase agreement was further entered into in relation to the Acquisition.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries: (i) 40,666,666 Shares was held by the Vendor as at the date of this announcement (representing about 5.93% of the entire issued share capital in the Company), and (ii) the Vendor and its ultimate beneficial owner are third parties independent of the Company and not connected persons of the Company.

Subject matter of the Acquisition

Under the Acquisition, the Sale Shares and the Sale Loan were acquired by the Purchaser from the Vendor.

Immediately before the Acquisition, the Target was a wholly-owned subsidiary of the Vendor. The Target directly owned 8.5% of the equity interest in Baoshan Feilong, while the remaining 91.5% equity interest in Baoshan Feilong was indirectly owned by the Company.

Following the Acquisition, each of the Target and Baoshan Feilong has become an indirect wholly-owned subsidiary of the Company, and the related minority interests attributable to Baoshan Feilong as previously reported in the Company's consolidated financial statements will cease.

Consideration

The Consideration amounted to RMB22.5 million, and has been agreed to be paid on or before 30 June 2011 by the Group to the Vendor. The Consideration was apportioned between the Sale Shares and the Sale Loan as follows:

- (i) RMB19,130,000 was apportioned to the acquisition of the Sale Shares; and
- (ii) RMB3,370,000 was apportioned to the acquisition of the Sale Loan.

Based on the management accounts of the Target, the aggregate share capital of the Sale Shares was US\$100 while the face value of the Sale Loan amounted to about RMB3,370,000. The only asset of the Target is the 8.5% equity interest in Baoshan Feilong, and the unaudited net asset value of Baoshan Feilong as at 31 December 2010 amounted to approximately RMB543 million.

The Consideration was determined after arm's length negotiation between the Purchaser and the Vendor with reference to, among other things, (i) the Target's 8.5% interest in Baoshan Feilong, (ii) the unaudited net asset value of Baoshan Feilong as at 31 December 2010, and (iii) the fact that the Target (hence the Vendor and its affiliates) would not be entitled to the distributable profits of Baoshan Feilong for the period between 2008 and 2015 (and which was recognized as a financial asset by the Company in its consolidated financial statements (as shown under the item of "Other Financial Asset" in its consolidated annual results of the Group for the year ended 31 December 2010, as contained in its announcement of results dated 24 March 2011)). As disclosed in the 2009 annual report of the Company, during the year ended 31 December 2008, the Group entered into an agreement with the ultimate beneficial owner of the Vendor and his affiliates, pursuant to which the Group had agreed to pay the mining fees on behalf of the ultimate beneficial owner of the Vendor and his affiliates in exchange of, amongst others, the transfer of the distributable profits in Baoshan Feilong for the period from 2008 to 2015 to the Group.

The Directors consider the Consideration is fair and reasonable to the Group and on normal commercial terms and that the entering into of the Acquisition is in the interest of the Company and the Shareholders as a whole.

Completion

The Acquisition was completed on 8 April 2011.

INFORMATION OF THE VENDOR AND THE TARGET GROUP

The Vendor is a company incorporated in the British Virgin Islands and is an investment holding company whose assets include shares in the Company and, immediately before completion of the Acquisition, the Target is an investment holding company. Immediately before the Acquisition, the Target was wholly owned by the Vendor.

The Target is a company incorporated in the British Virgin Islands. It is an investment holding company and directly owns 8.5% of the equity interest in Baoshan Feilong. Baoshan Feilong is principally engaged in mining and processing zinc and lead in the PRC. Immediately before the Acquisition, 91.5% of the equity interest in Baoshan Feilong was indirectly owned by the Company.

According to the unaudited financial statements of Baoshan Feilong made up to 31 December 2010, the book value of the net assets of Baoshan Feilong was approximately RMB543 million.

Based on the unaudited financial statements of Baoshan Feilong, the unaudited profit on ordinary activities before tax for the year ended 31 December 2009 and 31 December 2010 are approximately RMB9 million and RMB35 million respectively, while the unaudited profit on ordinary activities after tax of Baoshan Feilong for the year ended 31 December 2009 and 31 December 2010 are approximately RMB7 million and RMB32 million respectively.

REASONS FOR AND BENEFIT OF THE ACQUISITION

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.

Before the Acquisition, Baoshan Feilong was a non-wholly owned subsidiary of the Company and since March 2006 has been generating a reasonable source of profit and cashflow to the Group. The lead and zinc mining site, the mining rights in respect of which are held by Baoshan Feilong, has rich material contents. Following the Acquisition, Baoshan Feilong has become a wholly owned subsidiary of the Company and therefore the Group may have a full control of the operations of and become entitled to all the profits (in particular, those arising after 2015) from Baoshan Feilong.

The Directors believe that the terms of the Acquisition are fair and reasonable and are in the interest of the Shareholders as a whole.

GENERAL

As the applicable percentage ratios for the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company pursuant to Rule 14.06(2) of the Listing Rules.

DEFINITIONS

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

“Acquisition”	the acquisition of the Sale Shares and the Sale Loan from the Vendor
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Baoshan Feilong”	Baoshan Feilong Nonferrous Metal Co., Ltd., a limited liability company incorporated in the PRC, which immediately before the Acquisition was owned as to 8.5% directly by the Target and 91.5% indirectly by the Company
“Board”	the board of Directors
“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
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	RMB22.5 million, the total consideration of the Acquisition
“Director(s)”	director(s) of the Company
“Group”	collectively, the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Loan”	a shareholder’s loan of RMB3,370,000 owed by the Target to the Vendor immediately before the Acquisition
“Sale Shares”	100 ordinary shares of US\$1 each, being the entire issued share capital of the Target
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	Morel Well Enterprises Limited, a company incorporated in the British Virgin Islands, which immediately before the Acquisition was a wholly owned subsidiary of the Vendor
“Target Group”	the Target and its 8.5% interests in Baoshan Feilong

“Vendor” Feilong Holdings Limited, a company incorporated in the British Virgin Islands

“%” per cent.

* *Unofficial transliteration from Chinese name(s) for identification purposes only*

By order of the Board
Yue Da Mining Holdings Limited
Chen Yunhua
Chairman

Hong Kong, 8 April 2011

As at the date of this announcement, the Board comprises the following members: (a) as executive Directors, Mr Dong Li Yong and Mr Liu Xiaoguang; (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.