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

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**If you are in any doubt** as to any aspect of this prospectus or as to the action to be taken, you should consult your licensed securities dealer or registered institution 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 prospectus to the purchaser or licensed securities dealer or registered institution in securities or the transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

Subject to the granting of listing of, and permission to deal in, the Offer Shares on the Stock Exchange (as defined herein), the Offer Shares will be accepted as eligible securities by HKSCC (as defined herein) for deposit, clearance and settlement in CCASS (as defined herein) with effect from the commencement date of dealings in the Offer Shares or such other date as may be 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. You should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests.

A copy of each of the Prospectus Documents, together with the documents specified in the paragraph headed "Documents delivered to the Registrar of Companies" in Appendix III to this prospectus, has been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies Ordinance, Chapter 32 of the Laws of Hong Kong. The Securities and Futures Commission and the Registrar of Companies in Hong Kong take no responsibility for the contents of any of these documents.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.

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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)**

### **OPEN OFFER OF 228,922,969 OFFER SHARES ON THE BASIS OF ONE OFFER SHARE FOR EVERY THREE EXISTING SHARES HELD ON THE RECORD DATE**

**Underwriter to the Open Offer  
Yue Da Group (H.K.) Co. Limited**

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The latest time for acceptance of and payment for the Offer Shares is 4:00 p.m. on Wednesday, 7 March 2012. The procedures for application and payment for the Offer Shares are set out on pages 22 to 23 in this prospectus.

It should be noted that 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. These events are set out under the paragraph headed "Termination of the Underwriting Agreement" under the sub-section headed "Underwriting Agreement" in the "Letter from the Board" section of this prospectus.

Shareholders should note that the Shares have been dealt in on an ex-entitlement basis commencing from Monday, 13 February 2012 and that dealings in the Shares may take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled. Any Shareholder or other person dealing in the Shares up to the date on which all conditions to which the Open Offer is subject are fulfilled (which is expected to be on Friday, 9 March 2012), will accordingly bear the risk that the Open Offer may not become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional advisers.

22 February 2012

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## EXPECTED TIMETABLE FOR THE OPEN OFFER

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

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

2012

Register of members of the Company closes (both days inclusive) . . . . .	Wednesday, 15 February to Tuesday, 21 February
Record Date . . . . .	Tuesday, 21 February
Despatch of the Prospectus Documents . . . . .	Wednesday, 22 February
Latest time for acceptance of and payment for Offer Shares and application for excess Offer Shares . . . . .	4:00 p.m. on Wednesday, 7 March
Latest time for the Open Offer to become unconditional . . . . .	4:00 p.m. on Friday, 9 March
Announcement of results of acceptance of the Open Offer . . . . .	Thursday, 15 March
Despatch of certificates for Offer Shares and refund cheques for unsuccessful excess application . . . . .	On or before Friday, 16 March
Commencement of dealings in Offer Shares . . . . .	Tuesday, 20 March

*Note: Unless otherwise specified, all times and dates refer to Hong Kong local time.*

The above timetable is subject to change. If there are changes to the above timetable, the Company will publish an announcement as soon as practicable.

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## EXPECTED TIMETABLE FOR THE OPEN OFFER

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### EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE OFFER SHARES

The latest time for acceptance of and payment for the Offer Shares will not take place if there is tropical cyclone warning signal number 8 or above or “black” rainstorm warning:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the latest date for acceptance of and payment for the Offer Shares. Instead, the latest time for acceptance of and payment for the Offer Shares will be extended to 5:00 p.m. on the same Business Day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the latest date for acceptance of and payment for the Offer Shares. Instead, the latest time for acceptance of and payment for the Offer Shares will be rescheduled to 4:00 p.m. on the following Business Day, which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m..

If the latest time for acceptance of and payment for the Offer Shares does not take place on the expected latest date for acceptance of and payment for the Offer Shares, the dates subsequent to the said latest expected date mentioned in this section may be affected. An announcement will be made by the Company in such event as soon as practicable.

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## DEFINITIONS

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

“Announcement”	the announcement of the Company dated 15 December 2011 in relation to, among other things, the Underwriting Agreement, the Open Offer and the Whitewash Waiver
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (other than a Saturday or a day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.) on which banks are generally open for business in Hong Kong
“BVI”	British Virgin Islands
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies Ordinance”	the Companies Ordinance, Chapter 32 of the Laws of Hong Kong
“Company”	Yue Da Mining Holdings Limited 悦達礦業控股有限公司, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange
“concert parties” or “parties acting in concert”	in respect of a person, means parties acting in concert (within the “parties acting in concert” meaning of the Takeovers Code)
“Director(s)”	the director(s) of the Company
“Director’s Undertaking” or “Directors’ Undertakings”	the undertaking given by each of Messrs. Liu Xiaoguang, Chen Yunhua and Qi Guang Ya (all being Directors) to the Company that he will not exercise his respective Outstanding Options before completion of the Open Offer
“EGM”	the extraordinary general meeting of the Company held on 9 February 2012 to consider and approve the Open Offer and the Whitewash Waiver
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegates
“Group”	the Company and its subsidiaries from time to time

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## DEFINITIONS

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“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	Shareholders other than (i) YDHK (being a controlling Shareholder as at the Latest Practicable Date) 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, whose 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*)
“Last Trading Day”	15 December 2011, being the last Stock Exchange trading day in the Shares pending the release of the Announcement
“Latest Acceptance Time”	4:00 p.m. on 7 March 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 Practicable Date”	17 February 2012, being the latest practicable date prior to the printing of this prospectus for inclusion of certain information in this prospectus
“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 Committee”	the Listing Committee of the Stock Exchange
“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 to such Shareholders 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 Shares”	228,922,969 new Shares to be issued by the Company pursuant to the Open Offer

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## DEFINITIONS

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“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 set out in the Prospectus Documents
“Outstanding Options” or “Share Options”	the outstanding options granted by the Company to subscribe for an aggregate of 42,191,696 Shares as at the Latest Practicable Date pursuant to the Share Option Scheme
“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
“PRC”	the People’s Republic of China, excluding, for the purpose of this prospectus only and unless the context otherwise requires, Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Prospectus Documents”	this prospectus, the assured allotment application form and form of application for excess Offer Shares
“Qualifying Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date, other than the Non-Qualifying Shareholders
“Record Date”	21 February 2012 or such later date as may be agreed between the Company and the Underwriter
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	the ordinary share(s) with par value of HK\$0.10 each in the capital of the Company
“Share Option Scheme”	the share option scheme adopted by the Company on 9 June 2011 as amended from time to time
“Shareholder(s)”	shareholder(s) of the Company
“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

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## DEFINITIONS

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“Underwriting Agreement”	the underwriting agreement dated 15 December 2011 and entered into between the Company and the Underwriter in relation to the Open Offer
“Underwritten Shares”	all the Offer Shares (after deducting therefrom the 84,005,333 Offer Shares agreed to be taken up by YDHK under the Underwriting Agreement), being not less than 144,917,636 Offer Shares and (i) not more than 150,314,868 Offer Shares (according to the Underwriting Agreement) and (ii) not more than 149,347,048 Offer Shares having regard to the Directors’ Undertakings
“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 as at the Latest Practicable Date
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

*For the purpose of this prospectus, unless otherwise specified, conversions of RMB into Hong Kong dollars are based on the approximate exchange rate of RMB0.8107 to HK\$1.0.*

*\* the English translation of the Chinese name is for information purposes only, and should not be regarded as the official English translation of such name.*





**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  
Hu Huaimin

*Non-executive Directors:*

Chen Yunhua  
Qi Guang Ya

*Independent non-executive Directors:*

Leung Mei Han  
Cui Shu Ming  
Han Run Sheng  
Liu Yongping

*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

22 February 2012

*To the Shareholders*

Dear Sir/Madam,

**OPEN OFFER OF 228,922,969 OFFER SHARES  
ON THE BASIS OF ONE OFFER SHARE  
FOR EVERY THREE EXISTING SHARES  
HELD ON THE RECORD DATE**

**INTRODUCTION**

On 15 December 2011, the Board announced that the Company proposed to raise funds in the range of about HK\$114 million to HK\$117 million (before expenses) by issuing 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 Open Offer will be fully underwritten by the Underwriter, on the terms and subject to the conditions set out in the Underwriting Agreement. Under the Underwriting Agreement, the Underwriter has agreed to underwrite a minimum number of 144,917,636

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## LETTER FROM THE BOARD

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Offer Shares (assuming none of the Share Options are exercised on the Record Date) and a maximum number of 150,314,868 Offer Shares (assuming all the Share Options are exercised on the Record Date). Having regard to the Directors' Undertakings, the maximum number of Offer Shares to be underwritten by the Underwriter will be 149,347,048 Offer Shares (assuming all the Share Options are exercised on the Record Date, except those held by Messrs. Liu Xiaoguang, Chen Yunhua and Qi Guang Ya (all being concert parties with the Underwriter) who gave the Directors' Undertakings).

On 19 January 2012, a circular of the Company in relation to, among other things, the Underwriting Agreement, the Open Offer and the Whitewash Waiver was despatched to the Shareholders. The Executive has granted the Whitewash Waiver, which was subject to the approval of the Independent Shareholders by way of poll at the EGM. The Open Offer and the Whitewash Waiver, among other things, were approved by the Independent Shareholders by way of poll at the EGM on 9 February 2012.

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 sub-section headed "Underwriting Agreement" below. 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 headed "Termination of the Underwriting Agreement" under the sub-section headed "Underwriting Agreement" below). If the Underwriting Agreement is terminated, or the conditions of the Open Offer are not fulfilled or waived, the Open Offer will not proceed.

The purpose of this prospectus is to give you further information on, among other things, details of the Open Offer, including information on dealings in and application for Offer Shares, and financial information and other information of the Group.

### THE OPEN OFFER

#### Issue statistics

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 Record Date	:	686,768,907 Shares
Outstanding derivatives, options, warrants, conversion rights or other similar rights which are convertible or exchangeable into Shares as at the Record Date	:	Outstanding Options attaching thereto subscription right to subscribe for 42,191,696 Shares

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## LETTER FROM THE BOARD

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Number of Offer Shares	:	228,922,969 Offer Shares	
			The aggregate nominal value of the total Offer Shares will be HK\$22,892,296.90
Subscription Price	:	HK\$0.5 per Offer Share	
			The net Subscription Price for each Offer Share is approximately HK\$0.47
Number of Shares in issue as enlarged upon completion of the Open Offer	:	915,691,876 Shares	
Application for excess Offer Shares	:	Available	

Under 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.

As at the Latest Practicable Date, 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 the Last Trading Day;
- (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 the Last Trading Day;
- (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 the Last Trading Day;
- (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 the Last Trading Day;
- (v) a discount of approximately 71.75% to the unaudited consolidated net asset value per Share of approximately HK\$1.77 as at 30 June 2011 (based on the unaudited consolidated net asset value of the Group over the number of Shares in issue as at 30 June 2011); and

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## LETTER FROM THE BOARD

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- (vi) a discount of approximately 19.35% to the closing price of HK\$0.62 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

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 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 the 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 his/her/its 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 him/her/it 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

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## LETTER FROM THE BOARD

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- (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.

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 and refund cheques**

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 16 March 2012 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 16 March 2012 at their own risk.

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

### **Qualifying Shareholders**

The Company will send the Prospectus Documents to the Qualifying Shareholders.

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.

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## LETTER FROM THE BOARD

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### **Non-Qualifying Shareholders**

The Company will only send this prospectus to the Non-Qualifying Shareholders for their information.

As at the Record Date and based on information provided by the Hong Kong Registrars Limited to the Company, none of the Shareholders as recorded on the register of members of the Company has address(es) which is/are outside Hong Kong.

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 has applied 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.

The first day of dealings in the Offer Shares is expected to commence on 20 March 2012.

### **No transfer of nil-paid entitlements**

The invitation to subscribe for the Offer Shares to be made to the Qualifying Shareholders will not be transferable. There will not be any trading in nil-paid entitlements on the Stock Exchange.

### **Taxation**

Qualifying Shareholders are recommended to consult their professional advisers if they are in any doubt as to the tax implications of the acquisition, holding or disposal of, or dealing in the Offer Shares. It is emphasised that none of the Company, the Underwriter,

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## LETTER FROM THE BOARD

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the Directors or any other parties involved in the Open Offer accepts responsibility for any tax effects or liabilities of holders of the Offer Shares resulting from the purchase, holding or disposal of, or dealing in the Offer Shares.

### UNDERWRITING ARRANGEMENTS

As at the date of the Announcement and as at the Latest Practicable Date, 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 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 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.

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## LETTER FROM THE BOARD

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### 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 (excluding the 84,005,333 Offer Shares agreed to be taken up by YDHK under the Underwriting Agreement)
- For the avoidance of doubt, having regarded to the Directors' Undertakings, the maximum number of Offer Shares to be underwritten by YDHK will be 149,347,048 Offer Shares (assuming all the Share Options are exercised on the Record Date except those held by Messrs. Liu Xiaoguang, Chen Yunhua and Qi Guang Ya (all being concert parties with the Underwriter) who gave the Directors' Undertakings) 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

Under the terms of the Underwriting Agreement, the Company and the Underwriter have agreed that, if Underwriting Agreement becomes unconditional and is not terminated in accordance with the terms thereof, and if there is any Underwritten Share not taken up by the Latest Acceptance Time, the Company shall, before 6:00 p.m. on the first Business Day after the Latest Acceptance Time, notify or procure its share registrar in Hong Kong on behalf of the Company to notify the Underwriter in writing of the number of Underwritten Shares not taken up (the "**Untaken Shares**") and the Underwriter shall subscribe or procure subscription for (i) such Untaken Shares, and (ii) the Untaken Shares which are issued and allotted upon the exercise of the Outstanding Options (if any), not later than 4:00 p.m. on the third Business Day after (but not including) the date of receipt by the Underwriter of the notification referred to above.



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## LETTER FROM THE BOARD

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The Open Offer is fully underwritten. The Directors consider that:

- (i) by taking the underwriting commission rates in the recent open offers announced by companies listed on the Stock Exchange in the past six months preceding the Last Trading Day as reference, which ranged from nil to 2.0% with an average of approximately 1.2%, the two per cent. commission payable to YDHK under the Underwriting Agreement is thus in line with the market practice; and
- (ii) the major terms of the Underwriting Agreement including, but not limited to, the payment terms, the termination of the Underwriting Agreement and conditions of the Underwriting Agreement are not unusual.

As such, the Directors are of the opinion that the terms of the Underwriting Agreement and the amount of commission to be paid 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 Latest Practicable Date, 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 date on which this prospectus is despatched;
- (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 date on which this prospectus is despatched;
- (5) the posting of the Prospectus Documents to the Qualifying Shareholders on or before the date on which this prospectus is despatched;

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## LETTER FROM THE BOARD

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- (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. In respect of condition (6), as at the Latest Practicable Date, neither the Company nor YDHK has indicated its intention to waive such condition (6) to the extent which relates to the Company or YDHK, as the case may be.

### **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

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## LETTER FROM THE BOARD

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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 People's Republic of China or other jurisdiction relevant to the Group or any member of the Group and a change in currency conditions for the purpose of such provision 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 in relation to the Open Offer and the Whitewash Waiver or this 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.

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## LETTER FROM THE BOARD

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Pursuant to the Underwriting Agreement, YDHK is entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

- (a) any material breach of any of the warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of YDHK; or
- (b) any event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which if it had occurred or arisen before the date of the Underwriting Agreement would have rendered the warranties contained in the Underwriting Agreement untrue or incorrect in any material aspect comes to the knowledge of YDHK.

Any such notice shall be served by YDHK prior to the Latest Time for Termination.

### REASONS FOR THE OPEN OFFER AND THE USE OF PROCEEDS

The proposed Open Offer is intended to raise funds of about HK\$114 million (before expenses). The net proceeds from the Open Offer after deducting for expenses are estimated to be approximately HK\$108 million. The Company intends to use the net proceeds for the following purposes:

- (i) approximately HK\$50 million for the repayment of a bank loan due to Industrial and Commercial Bank of China (Asia) Limited (“**Relevant Loan**”) where the final instalment will be due on 28 June 2012;
- (ii) approximately HK\$10 million for the repayment of promissory note due 31 July 2012 (“**Promissory Note**”) arising from the acquisition of Absolute Apex Limited as disclosed in the announcement of the Company dated 16 April 2010. The holder of the Promissory Note is Bright Harvest Holdings Limited whose ultimate beneficial owner is Ms Xin Hongling, who is an independent third party to the Company. The outstanding principal amount of the Promissory Note at the Latest Practicable Date is RMB8,107,000 and is interest free; and
- (iii) the balance as general working capital for business operations and maintain liquidity of the Group, including but not limited to the enhancement of the exploration activities to increase reserves of the Group, investigation and improvement of the production process and technology, and the daily operating expenses such as staff costs, rental expenses, professional fees and finance costs of the mining business of the Group.

As at the Latest Practicable Date, the outstanding principal amount of the Relevant Loan which will be due on 28 June 2012 is HK\$101,875,000 (approximately RMB82,590,000), and the applicable interest rate is Hong Kong Inter-Bank Offered Rate (or commonly known as HIBOR) plus 3%. The interest is charged on a monthly basis and the amount is immaterial at the Latest Practicable Date. 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.

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## LETTER FROM THE BOARD

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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.

The Open Offer is fully underwritten by YDHK, the Company's controlling shareholder, which thereby demonstrates its confidence in the Company's future and growth prospects.

Given the current unstable conditions of the capital market and the thin trading volume of the shares of the Company, the Directors consider that it would be difficult to engage underwriter(s) for an open offer on acceptable terms. Accordingly, the Directors had not entered into any discussion with any merchant banks or other professional parties on the possibility for acting as underwriter(s) of the Open Offer.

Further, after considering alternative funding raising methods such as placement of new shares, debt financing and rights issue, the Directors believe that it would be in the best interests of the Company and the Shareholders as a whole to raise long-term equity capital through an open offer to finance its future operation. The Directors have considered, among other things, that:

- (i) placement of new shares will preclude existing Shareholders from participating in the capital raising exercise which inevitably result in dilution to the equity interest of the existing Shareholders;
- (ii) debt financing will inevitably create repayment and interest payment obligations on the Group; and
- (iii) rights issue, if compared to open offer, will increase administrative costs and expenses of the Company in arranging for trading of the nil-paid rights and the Underwriter has indicated its preference towards open offer rather than rights issue.

The Open Offer, on the other hand, will not only further strengthen the Company's capital base including its gearing level and enhance its financial position and net asset base, but also provide an equal opportunity to all Qualifying Shareholders to participate in this fund raising transaction on fair terms and the Directors consider that it will facilitate the long-term development of the Company. Taking into account the fact that the net proceeds from the Open Offer are expected to improve the Group's gearing position and enhance the Company's capital base, the Directors are of the view that the Open Offer is in the interests of the Group and the Shareholders as a whole.

## LETTER FROM THE BOARD

### SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Latest Practicable Date:

- (1) the Company had an issued share capital of HK\$68,676,890.7 comprising of 686,768,907 Shares;
- (2) there were Share Options attaching subscription right to subscribe for an aggregate of 42,191,696 Shares granted under the Share Option Scheme.

Accordingly, the number of Offer Shares to be issued under the Open Offer will be 228,922,969 Offer Shares.

Set out below is the shareholding structure of the Company as at the date of the Announcement, the Record Date and immediately after completion of the Open Offer assuming that there is no change in the shareholding structure of the Company from the date of the Announcement to immediately before completion of the Open Offer save pursuant to the transactions contemplated under the Underwriting Agreement:

Name of Shareholder	As at the date of the Announcement		As at the Record Date		Upon completion of the Open Offer			
	No. of Shares	Approximate %	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	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
<b>Underwriter:</b>								
YDHK (also being a controlling shareholder of the Company) (Note 1)	252,016,000	36.70%	252,016,000	36.70%	480,938,969	52.52%	336,021,333	36.70%
<b>Parties acting in concert with YDHK:</b>								
Pan Wanqu (Note 2)	1,020,000	0.15%	1,020,000	0.15%	1,020,000	0.11%	1,360,000	0.15%
Liu Xiaoguang (Note 3)	600,000	0.09%	600,000	0.09%	600,000	0.07%	800,000	0.09%
Qi Guang Ya (Note 4)	—	—	—	—	—	—	—	—
Chen Yunhua (Note 5)	—	—	—	—	—	—	—	—
<b>Sub-total for aggregate holdings of YDHK and parties acting in concert with it:</b>	253,636,000	36.94%	253,636,000	36.94%	482,558,969	52.70%	338,181,333	36.94%
<b>Other Directors:</b>								
Dong Li Yong	3,000,000	0.44%	3,000,000	0.44%	3,000,000	0.33%	4,000,000	0.44%
Hu Huaimin	848,000	0.12%	848,000	0.12%	848,000	0.09%	1,130,666	0.12%
<b>Public:</b>	429,284,907	62.50%	429,284,907	62.50%	429,284,907	46.88%	572,379,877	62.50%
<b>Total:</b>	<b>686,768,907</b>	<b>100%</b>	<b>686,768,907</b>	<b>100%</b>	<b>915,691,876</b>	<b>100%</b>	<b>915,691,876</b>	<b>100%</b>

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## LETTER FROM THE BOARD

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*Notes:*

1. 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.
2. Mr Pan Wanqu is a director of Jiangsu YD.
3. Mr Liu Xiaoguang is an executive Director and also a director of YDHK.
4. Mr Qi Guang Ya is a non-executive Director and also a director of Jiangsu YD.
5. Mr Chen Yunhua is a non-executive Director and also a director of each of YDHK and Jiangsu YD.
6. As at the Latest Practicable Date and save for the Share Options, the Company has no derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares or outstanding debt securities in issue.

*Shareholders and public investors should note that the above shareholding changes are for illustrative 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 completion of the Open Offer.*

### **FUND RAISING EXERCISE OF THE COMPANY DURING THE PAST TWELVE MONTHS**

The Company has not conducted any equity fund raising exercise in the 12 months immediately preceding the Latest Practicable Date.

### **WARNING OF THE RISK OF DEALING IN THE SHARES**

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

**Any persons contemplating buying or selling Shares from the date of the 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.**

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## LETTER FROM THE BOARD

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### **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.

### **BACKGROUND OF THE UNDERWRITER**

YDHK, being the Underwriter, is a company incorporated in Hong Kong on 19 September 1997 with limited liability. The principal activities of YDHK are investment holding and dealing of marketable securities. The ordinary course of business of YDHK does not include underwriting. It is a wholly-owned subsidiary of Jiangsu YD which is a State-owned enterprise established in the PRC. The directors of YDHK are Messrs. Liu Xiaoguang and Chen Yunhua (both being Directors). The directors of Jiangsu YD are Messrs. Chen Yunhua, Zhu Luhua, Shao Yong, Pan Wanqu, Zheng Qiaoya, Qi Guang Ya, Xie Zisheng and Liu Xunlong (among whom Messrs. Chen Yunhua and Qi Guang Ya are Directors).

### **INTENTION OF THE UNDERWRITER**

YDHK intends that the Group will continue its existing business and has no intention or plans to inject any assets into the Group or dispose of any of the Group's assets, and it has no intention to introduce any major changes to the business of the Group, including any redeployment of the fixed assets of the Group. YDHK and parties acting in concert with it have no intention to make any major changes to the continued employment of the employees of the Group.



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## LETTER FROM THE BOARD

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### 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.

### BUSINESS REVIEW AND FINANCIAL AND TRADING PROSPECTS

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

According to the published unaudited consolidated financial statements of the Group, for the six months ended 30 June 2011, the Group recorded revenue of approximately RMB231,475,000 and profit for the period attributable to the Shareholders of approximately RMB58,851,000. The mining operations realized an operating revenue of RMB215,262,000 with a segment profit of RMB56,619,000. Amidst the negative impact of the global financial turmoil that surfaced in the third quarter of 2008, both sale prices of and demands for zinc, lead, iron and gold ore concentrates have started to improve since the third quarter of 2009 after the slow recovery of the world's economy to the present. As a result of the improvement in prices and demands, both revenue and segment profit of mining operations have increased. The toll road operations recorded a net operating revenue of RMB16,213,000 and a segment loss of RMB6,473,000.

The Group has all along sought to enhance its exploration and mining activities by identifying suitable exploration and mining methods, improve and enhance explosive and blasting technology by setting up appropriate explosive and blasting method in order to maximize explosive effects. Such measures aim at raising production capacity of the Group's existing mines as well as reducing its mining costs. To reduce cleansing and processing costs, the Group will further emphasis on technology improvements, optimize production processes of processing plant and maximize grade and recovery of ore concentrates.

The Directors do not intend to change its principal line of business. In the near future, the Group will continue to focus its effort and resources in maintaining and, where practicable, increasing its turnover and improving its financial position through maintaining better relationship with customers and co-operation with renowned State-owned smelting plants and enterprises in the PRC. More details of the co-operation agreements with Zhuzhou Smelter Group Co., Limited, Yunnan Yuntong Zinc Alloy Company Limited, Panzhihua Steel Group International Economic Trading Company Limited and Wugang Group Kunming Iron and Steel Company Limited were disclosed in the announcements of the Company dated 21 November 2008, 9 December 2008 and 22 December 2009 respectively.

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## LETTER FROM THE BOARD

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Save for the events as disclosed under the section headed “NO MATERIAL CHANGE” (paragraph 7) of Appendix III to this prospectus, the Directors confirm that there has been no material adverse change in the financial or trading position of the Group since 31 December 2010, being the date to which the latest audited consolidated financial statements of the Group were made up.

### PROCEDURE FOR APPLICATION AND PAYMENT

For each Qualifying Shareholder, an assured allotment application form is enclosed with this prospectus which entitles you to subscribe for the number of the Offer Shares shown therein.

If you wish to exercise your right to subscribe for all number of the Offer Shares in your assured entitlement of Offer Shares to which you are entitled, you must lodge the assured allotment application form in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, 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 no later than 4:00 p.m. on Wednesday, 7 March 2012 (or, under bad weather conditions, such later date and/or time as mentioned in the section headed “Expected Timetable for the Open Offer” in this prospectus). **All remittances must be made in Hong Kong dollars. Cheques must be drawn on an account with, or cashier’s orders must be issued by, a licensed bank in Hong Kong and made payable to “YUE DA MINING HOLDINGS LIMITED — OPEN OFFER ACCOUNT” and crossed “ACCOUNT PAYEE ONLY”.**

It should be noted that unless the duly completed assured allotment application form, together with the appropriate remittance, has been lodged 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 no later than 4:00 p.m. on Wednesday, 7 March 2012 (or, under bad weather conditions, such later date and/or time as mentioned in the section headed “Expected Timetable for the Open Offer” in this prospectus), the relevant assured allotment application form and all rights and entitlement thereunder will be deemed to have been declined and will be cancelled and such Offer Shares will be available for application by the Qualifying Shareholders through the form of application for excess Offer Shares.

The assured allotment application form contains full information regarding the procedures to be followed for acceptance of the whole or part of your assured entitlement of the Offer Shares.

All cheques and cashier’s orders will be presented for payment immediately following receipt and all interest earned on such monies will be retained for the benefit of the Company. Completion and lodgment of the assured allotment application form together with a cheque or cashier’s order in payment of the Offer Shares being applied for will constitute a warranty that the cheque or cashier’s order will be honoured upon first presentation. Any assured allotment application form in respect of which the accompanying

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## LETTER FROM THE BOARD

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cheque or cashier's order is dishonoured on first presentation is liable to be rejected, and in that event the relevant assured entitlement of Offer Shares and all rights thereunder will be deemed to have been declined and will be cancelled.

No action has been taken to permit the offering of the Offer Shares or the distribution of this prospectus or the assured allotment application form for the Offer Shares in any territory other than Hong Kong. Subject to the paragraph headed "Non-Qualifying Shareholders" above, no person receiving an assured allotment application form for the Offer Shares in any territory outside Hong Kong may treat it as an offer or invitation to apply for the Offer Shares, unless in the relevant territory such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements. Subject as referred to below, it is the responsibility of anyone outside Hong Kong wishing to make an application for the Offer Shares to satisfy himself/herself/itself/themselves as to the observance of the laws and regulations of the relevant territory or jurisdiction, including the obtaining of any governmental or other consents, and to pay any taxes and duties required to be paid in such territory in connection therewith. No application for Offer Shares will be accepted from any person whose address is outside Hong Kong unless the Company is satisfied (in its absolute discretion) that such acceptance would not involve a breach of any applicable laws or regulatory requirements of any need for compliance with any registration or other legal or regulatory requirements. The Company reserves the right to refuse to accept any application for the Offer Shares where it believes that in doing so would violate the applicable securities or other laws or regulations of the territory of residence of the applicant.

The assured allotment application form is for use only by the Qualifying Shareholders and is not transferable. No receipt will be issued in respect of any application monies received. If the Underwriting Agreement is terminated before the Latest Time for Termination, the Open Offer will not proceed and the monies received in respect of acceptances of the Offer Shares without interest will be returned to the Qualifying Shareholders, by means of cheques crossed "ACCOUNT PAYEE ONLY" to be despatched by ordinary post to their registered addresses and in the case of joint applicants to the registered address of the applicant whose name first appears on the register of members of the Company at their own risk on or before Friday, 16 March 2012.

### **APPLICATION FOR EXCESS OFFER SHARES**

Qualifying Shareholders are entitled to apply for entitlements of the Non-Qualifying Shareholders (see the paragraph headed "Non-Qualifying Shareholders" above) and any Offer Shares provisionally allotted but not accepted by the Qualifying Shareholders.

If you as a Qualifying Shareholder wish to apply for any Offer Shares in addition to your assured entitlement indicated on the assured allotment application form enclosed with this prospectus, you must complete and sign the enclosed form of application for excess Offer Shares in accordance with the instructions printed thereon and lodge it, together with a separate remittance for the full amount payable on application in respect of the excess Offer Shares applied for, 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

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## LETTER FROM THE BOARD

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Road East, Wanchai, Hong Kong, by no later than 4:00 p.m. on Wednesday, 7 March 2012 (or, under bad weather conditions, such later date and/or time as mentioned in the section headed “Expected Timetable for the Open Offer” in this prospectus). All remittances must be made by cheque or cashier’s order in Hong Kong dollars. Cheques must be drawn on account with, or cashier’s order must be issued by, a licensed bank in Hong Kong and made payable to “**YUE DA MINING HOLDINGS LIMITED — EXCESS APPLICATION ACCOUNT**” and crossed “**ACCOUNT PAYEE ONLY**”.

All cheques and cashier’s orders will be presented for payment immediately following receipt and all interest earned on such monies shall be retained for the benefit of the Company. Any form of application for excess Offer Shares in respect of which the accompanying cheque or cashier’s order is dishonored on first presentation is liable to be rejected and cancelled. In the event of overpaid application, a refund cheque will be made out to you only if the overpaid amount is HK\$100 or above.

If no excess Offer Shares are allotted to the Qualifying Shareholders, it is expected that a cheque for the full amount tendered on application for the excess Offer Shares without interest will be posted to the Qualifying Shareholder’s address on the register of member of the Company by ordinary post at his/her/its/their own risk on or before Friday, 16 March 2012. If the number of excess Offer Shares allotted to the Qualifying Shareholders is less than that applied for, it is expected that a cheque for the amount of the surplus application monies, without interest, will be posted to the Qualifying Shareholder’s address on the register of members of the Company by ordinary post at his/her/its/their own risk on or before Friday, 16 March 2012.

No action has been taken to permit the offering of the Offer Shares or the distribution of this prospectus or the form of application for excess Offer Shares in any territory outside Hong Kong and therefore the form of application for excess Offer Shares may not be used by the Non-Qualifying Shareholders. Subject to the paragraph headed “Qualifying Shareholders” above, no person receiving a copy of the form of application for excess Offer Shares in any territory outside Hong Kong may treat it as an offer or invitation to apply for excess Offer Shares, unless in the relevant territory such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements. Subject as referred to below, it is the responsibility of anyone outside Hong Kong wishing to make an application for the excess Offer Shares to satisfy himself/herself/itself/themselves as to the observance of the laws and regulations of the relevant territory, including the obtaining of any governmental or other consents, and to pay any taxes and duties required to be paid in such territory in connection therewith. No application for excess Offer Shares will be accepted from any person whose address is outside Hong Kong unless the Company is satisfied (in its absolute discretion) that such acceptance would not involve a breach of any applicable laws or regulatory requirements of any need for compliance with any registration or other legal or regulatory requirements. The Company reserves the right to refuse to accept any application for excess Offer Shares where it believes that doing so would violate the applicable securities or other laws or regulations of the territory of residence of the applicant.

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## LETTER FROM THE BOARD

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If the Underwriting Agreement is terminated before the Latest Time for Termination, the Open Offer will not proceed and the monies received in respect of applications for excess Offer Shares without interest will be returned to the Qualifying Shareholders or, in the case of joint applicants, to the first-named person, by means of cheques crossed “Account Payee Only” to be despatched by ordinary post to their registered addresses and in the case of joint applicants to the registered address of the applicant whose name first appears on the register of members of the Company at their own risk on or before Friday, 16 March 2012.

### **ADDITIONAL INFORMATION**

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

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

**FINANCIAL INFORMATION OF THE GROUP**

The financial information of the Group for the three financial years ended 31 December 2010 is disclosed in the annual reports of the Company for the years ended 31 December 2008, 2009 and 2010 respectively. The unaudited financial information of the Group for the six months ended 30 June 2011 is disclosed in the interim report of the Company for the six months ended 30 June 2011. The aforesaid financial information of the Group is published on both the HKExnews website of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)) and the website of the Company ([www.yueda.com.hk](http://www.yueda.com.hk)).

**INDEBTEDNESS STATEMENT****(a) Borrowings**

At the close of business on 31 December 2011, being the latest practicable date for the purpose of this indebtedness statement, the Group had the following borrowings:

	<i>RMB'000</i>
Amount due to a related party	845
Amounts due to directors	365
Promissory note — with principal amount of RMB8,107,000	7,722
Secured bank borrowings — term loans (equivalent to the Relevant Loan)	82,590
Unsecured bank borrowings — term loans	123,642
Obligations under finance leases	<u>3,203</u>
	<u><u>218,367</u></u>

**(b) Pledge of assets**

At the close of business on 31 December 2011, the Company's equity interests in certain subsidiaries were pledged to a bank for a credit facility of RMB82,590,000 (equivalent to HK\$101,875,000) granted to the Group.

The Group's obligations under finance leases are secured by the lessor's charge over the leased assets. At the close of the business on 31 December 2011, the carrying value of property, plant and equipment of the Group in respect of assets held under finance leases was RMB5,897,000.

Save as aforesaid and apart from intra-group liabilities, the Group did not have outstanding at the close of business on 31 December 2011 any outstanding mortgages, charges, debentures, loan capital, bank loans and overdrafts, debt securities or other similar indebtedness, liabilities under acceptances or acceptance credits, hire purchases commitments, any guarantees or other material contingent liabilities.

**WORKING CAPITAL SUFFICIENCY**

The Directors are of the opinion that, after taking into account of the Group's present available financial resources (including its available banking facilities) and the net cash proceeds from the Open Offer, the Group will have sufficient working capital for its present requirements for the next twelve months from the date of this prospectus in the absence of unforeseen circumstances.

**PROPOSED ACQUISITIONS AFTER 31 DECEMBER 2010****(i) Acquisition of equity and loan interests in Morel Well Enterprises Limited (“Morel Well”)**

As disclosed in the Company's announcement dated 8 April 2011, the Group as purchaser has acquired from Feilong Holdings Limited (“**Feilong**”) as vendor the entire issued share capital of Morel Well and a shareholder's loan of RMB3,370,000 owed by Morel Well to Feilong. The total consideration for the acquisition is RMB22.5 million. The acquisition was effected by way of an instrument of transfer and an assignment of loan respectively both dated 8 April 2011 and entered into between the parties thereto. No sale and purchase agreement was further entered into in relation to the acquisition. The above acquisition was completed on 8 April 2011.

Morel Well 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.

**(ii) Proposed acquisition of 22% equity interest in Tong Ling Guan Hua Mining Company Limited\* (銅陵冠華礦業有限責任公司)(“Tong Ling”)**

As disclosed in the Company's announcement dated 26 September 2011, pursuant to a sale and purchase agreement dated 26 September 2011, the Group as purchaser has conditionally agreed to purchase and Mr Bao Dongbin, Mr Bao Enwei and Mr Bao Jikun as vendors have conditionally agreed to sell the 22% equity interest in Tong Ling. The consideration for the acquisition is RMB100 million which will be payable in the form of cash only.

Tong Ling is principally engaged in mining, processing and sale of gold in the PRC and is currently owned as to 70% by the Group. Immediately after completion of the acquisition, Tong Ling will be indirectly owned as to 92% by the Group and as to 8% by Mr Bao Jikun.

**(iii) Proposed acquisition of 80% interest in a silver, lead and zinc mine in Lao People's Democratic Republic ("Lao PDR")**

As disclosed in an announcement of the Company dated 3 November 2011, the Company was currently in preliminary negotiation with Yue Da Enterprise Group (HK) Co., Limited ("**YD Enterprise**"), an associate of Jiangsu YD, in respect of a proposed acquisition of a wholly-owned subsidiary of YD Enterprise, which will in turn own about 80% interest in a company established in the Lao PDR ("**Lao Company**").

According to YD Enterprise, the Lao Company holds the exploitation and exploration rights of a silver, lead and zinc mine and exploration rights of certain other mines located in Lao PDR. As at the Latest Practicable Date, no terms of the above proposed acquisition have been finalised and no formal definitive and binding agreement in relation to the above proposed acquisition has been entered into, and thus the consideration for such acquisition is yet to be determined.



## A. UNAUDITED PRO FORMA FINANCIAL INFORMATION

The unaudited pro forma statement of adjusted consolidated net tangible assets (the “Unaudited Pro Forma Financial Information”) prepared in accordance with paragraph 29 of Chapter 4 of the Listing Rules is set out below to illustrate the effect of the open offer of 228,922,969 offer shares to be issued by the Company at a subscription price of HK\$0.5 per offer share on the basis of one offer share for every three existing shares on the consolidated net tangible liabilities of the Group attributable to owners of the Company as if the Open Offer had been completed on 30 June 2011.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of the financial position of the Group attributable to owners of the Company as at the date to which it is made up or at any future date.

	Deduct:				Unaudited pro forma		
Unaudited consolidated net assets of the Group attributable to owners of the Company as at 30 June 2011 RMB'000 (note 1)	Unaudited total balance attributable to goodwill, intangible assets and related deferred tax liabilities as at 30 June 2011 RMB'000 (notes 1&2)	Unaudited adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company as at 30 June 2011 RMB'000	Unaudited adjusted consolidated net tangible liabilities per Share before completion of the Open Offer RMB (note 3)	Add: Estimated net proceeds from the Open Offer RMB'000 (note 4)	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company upon completion of the Open Offer RMB'000	Unaudited pro forma adjusted consolidated net tangible assets per Share immediately after completion of the Open Offer RMB (note 5)	
Based on 228,922,969 offer shares issued	992,267	(1,053,085)	(60,818)	(0.09)	87,647	26,829	0.03

## Notes:

- (1) These figures are extracted from the published interim report of the Company for the six months period ended 30 June 2011 (the “Interim Report”).
- (2) The amount includes mining rights of approximately RMB1,490.0 million (which included the mining rights of RMB1,240 million as stated in the condensed consolidated statement of financial position as at 30 June 2011 and the mining rights of RMB250 million attributable to the Disposal Group (as defined in the Interim Report) as stated in note 17 to the condensed consolidated financial statements for the six months ended 30 June 2011 as included in the Interim Report), goodwill of approximately RMB0.5 million, other intangible assets of approximately RMB51.1 million, net of related deferred tax liabilities of approximately RMB357.8 million and related non-controlling interests of approximately RMB130.7 million.
- (3) The unaudited adjusted consolidated net tangible liabilities per Share is based on 686,768,907 Shares in issue as at 30 June 2011.

- (4) The estimated net proceeds from the Open Offer of approximately RMB87.6 million is calculated using 228,922,969 offer shares to be issued at a subscription price of HK\$0.5 per Offer Share, after deduction of estimated related expenses directly attributable to the Open Offer of approximately RMB5.2 million.

The exchange rate used for translation of Hong Kong dollars to Renminbi in respect of the unaudited pro forma financial information is HK\$1 = RMB0.8107.

- (5) The calculation of the unaudited pro forma adjusted consolidated net tangible assets per Share immediately after completion of the Open Offer is calculated based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company upon completion of the Open Offer and on the basis of 915,691,876 shares issued and issuable, comprising 686,768,907 existing shares in issue as at 30 June 2011 and 228,922,969 offer shares to be issued pursuant to the Open Offer.

**B. ACCOUNTANTS' REPORT ON UNAUDITED PRO FORMA FINANCIAL  
INFORMATION****TO THE DIRECTORS OF YUE DA MINING HOLDINGS LIMITED**

We report on the unaudited pro forma financial information of Yue Da Mining Holdings Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”), which has been prepared by the directors of the Company for illustrative purposes only, to provide information about how the open offer of 228,922,969 offer shares to be issued by the Company at a subscription price of HK\$0.5 per offer share on the basis of one offer share for every three existing shares might have affected the financial information presented, for inclusion in Appendix II of the prospectus dated 22 February 2012 (the “Prospectus”). The basis of preparation of the unaudited pro forma financial information is set out on pages II-1 to II-2 to the Prospectus.

**Respective responsibilities of directors of the Company and reporting accountants**

It is the responsibility solely of the directors of the Company to prepare the unaudited pro forma financial information in accordance with paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants.

It is our responsibility to form an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

**Basis of opinion**

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 300 “Accountants’ Reports on Pro Forma Financial Information in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants. Our work consisted primarily of comparing the unadjusted financial information with source documents, considering the evidence supporting the

adjustments and discussing the unaudited pro forma financial information with the directors of the Company. This engagement did not involve independent examination of any of the underlying financial information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purpose of the unaudited pro forma financial information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

The unaudited pro forma financial information is for illustrative purpose only, based on the judgements and assumptions of the directors of the Company, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in future and may not be indicative of the financial position of the Group as at 30 June 2011 or any future date.

**Opinion**

In our opinion:

- a) the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated;
- b) such basis is consistent with the accounting policies of the Group; and
- c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

**Deloitte Touche Tohmatsu**  
*Certified Public Accountants*  
Hong Kong  
22 February 2012

## 1. RESPONSIBILITY STATEMENT

This prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this prospectus misleading.

## 2. SHARE CAPITAL AND OPTIONS

### (a) Share capital

The authorised and issued share capital of the Company (i) as at the Latest Practicable Date were, and (ii) immediately following completion of the Open Offer will be, as follows:

#### (i) As at the Latest Practicable Date

<i>Authorised share capital:</i>	<i>HK\$</i>
<u>2,000,000,000 Shares</u>	<u>200,000,000</u>
<i>Issued and fully paid share capital or credited as fully paid:</i>	
<u>686,768,907 Shares</u>	<u>68,676,890.70</u>

#### (ii) Upon completion of the Open Offer

<i>Authorised share capital:</i>	<i>HK\$</i>
<u>2,000,000,000 Shares</u>	<u>200,000,000</u>
<i>Issued and fully paid share capital or credited as fully paid:</i>	
<u>686,768,907 Shares</u>	Shares in issue as at the Latest Practicable Date <u>68,676,890.70</u>
<u>228,922,969 Shares</u>	Offer Shares to be issued pursuant to the Open Offer <u>22,892,296.90</u>
<u>915,691,876 Shares</u>	Shares in issue upon completion of the Open Offer <u>91,569,187.60</u>

The issued Shares are listed on the Stock Exchange. All the issued Shares rank pari passu with each other in all respects including the rights as to voting, dividends and return of capital. The Offer Shares to be allotted and issued will, when issued and fully paid or credited as fully paid, rank pari passu in all respects with the existing Shares in issue on the date of their allotment in fully-paid form.

As at the Latest Practicable Date, no share or loan capital of the Company or any members of the Group has been put under option or agreed conditionally or unconditionally to be put under option and no warrant or conversion right affecting the Shares has been issued or granted or agreed conditionally, or unconditionally to be issued or granted, except for the Offer Shares and the Shares to be allotted and issued upon exercise of the Share Options to subscribe for up to 42,191,696 Shares.

Upon the Open Offer becoming unconditional, the exercise price of and/or the number of Shares comprised in the Share Options may be subject to adjustments.

There has been no alteration to the authorised and issued share capital of the Company since the end of the last financial year of the Company, being 31 December 2010, up to the Latest Practicable Date.

**(b) Share options**

As at the Latest Practicable Date, there were Share Options attaching subscription right to subscribe for an aggregate of 42,191,696 Shares granted under the applicable rules of the Share Option Scheme at exercise prices ranging from HK\$0.584 to HK\$1.716.

Number of Outstanding Options	Holders of Outstanding Options	Exercise price per Share (HK\$)	Date of grant	Exercisable Period	
				From	To
5,273,495	701,730 (Directors)	0.9063	27 May 2009	28 May 2009	26 May 2019
	4,571,765 (employees)				
8,058,201	2,105,190 (Directors)	0.9063	27 May 2009	9 July 2009	24 May 2018
	5,953,011 (employees)				
2,200,000	1,500,000 (Directors)	1.716	19 April 2010	20 April 2010	19 April 2020
	700,000 (employees)				
144,000	(employees)	1.35	16 December 2010	17 December 2010	16 December 2020
150,000	(employees)	1.716	19 April 2010	20 April 2011	19 April 2020
108,000	(employees)	1.35	16 December 2010	17 December 2011	16 December 2020
150,000	(employees)	1.716	19 April 2010	20 April 2012	19 April 2020
108,000	(employees)	1.35	16 December 2010	17 December 2012	16 December 2020
10,400,000	4,320,000 (Directors)	0.584	30 January 2012	1 April 2012 or	29 January 2017
	6,080,000 (employees)			three Business Days after completion of the Open Offer, whichever is later	
7,800,000	3,240,000 (Directors)	0.584	30 January 2012	1 April 2013	29 January 2017
	4,560,000 (employees)				
7,800,000	3,240,000 (Directors)	0.584	30 January 2012	1 April 2014	29 January 2017
	4,560,000 (employees)				

Upon the Open Offer becoming unconditional, the exercise prices and/or number of the Share to be allotted and issued pursuant to the exercise of the Outstanding Options may be subject to adjustments. Further announcement will be made in this regard.

**(c) Convertible securities**

As at the Latest Practicable Date and save for the Share Options, the Company has no derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares or outstanding debt securities in issue.

Save as disclosed above, the Company did not have any other options, warrants or other convertible securities or rights affecting the Shares and no capital of any member of the Group is under option, or agreed conditionally or unconditionally to be put under option as at the Latest Practicable Date.



### 3. DISCLOSURE OF INTERESTS BY DIRECTORS AND CHIEF EXECUTIVES

Save as disclosed below, as at the Latest Practicable Date, none of the Directors or chief executive (if any) had, or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of the SFO) which are (a) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short position which they have taken or deemed to have under such provisions of the SFO); or (b) required to be recorded in the register kept by the Company pursuant to Section 352 of the SFO; or (c) required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules.

Name of directors	Capacity	Number of Shares <sup>1</sup>	Percentage of shareholding
Dong Li Yong	Beneficial owner	3,000,000	0.44%
	Beneficial owner	1,403,460 <sup>2</sup>	0.20%
		<u>3,000,000<sup>4</sup></u>	<u>0.44%</u>
		7,403,460	1.08%
Liu Xiaoguang	Beneficial owner	600,000	0.09%
	Beneficial owner	701,730 <sup>2</sup>	0.10%
		<u>1,500,000<sup>4</sup></u>	<u>0.22%</u>
		2,801,730	0.41%
Hu Huaimin	Beneficial owner	848,000	0.12%
	Beneficial owner	1,111,072 <sup>2</sup>	0.16%
		<u>1,500,000<sup>4</sup></u>	<u>0.22%</u>
		3,459,072	0.50%
Chen Yunhua	Beneficial owner	1,500,000 <sup>3</sup>	0.22%
		<u>3,600,000<sup>4</sup></u>	<u>0.52%</u>
		5,100,000	0.74%
Qi Guang Ya	Beneficial owner	701,730 <sup>2</sup>	0.10%
		<u>1,200,000<sup>4</sup></u>	<u>0.17%</u>
		1,901,730	0.27%

Notes:

- (1) All interests in the Shares and underlying Shares were long positions. None of the Directors held any short position in the Shares and underlying Shares.

- (2) These Shares represent Shares which would be allotted and issued upon the exercise in full of the options granted to the relevant Directors on 27 May 2009 under the share option scheme of the Company with an exercise price of HK\$0.9063 per Share.
- (3) These Shares represent Shares which would be allotted and issued upon the exercise in full of the options granted to the relevant Directors on 19 April 2010 under the share option scheme of the Company with an exercise price of HK\$1.716 per Share.
- (4) These Shares represent Shares which would be allotted and issued upon the exercise in full of the options granted to the relevant Directors on 30 January 2012 under the share option scheme of the Company with an exercise price of HK\$0.584 per Share.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors is a director or employee of a company which has an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO.

#### 4. DISCLOSURE OF INTERESTS BY PERSONS OTHER THAN DIRECTORS AND CHIEF EXECUTIVES

- (a) As at the Latest Practicable Date, so far as is known to the Directors, the following persons, other than a Director or chief executive of the Company, had an interests or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who, direct or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Name of the Shareholder	Capacity	Number of Shares <sup>1</sup>	Percentage of shareholding
YDHK	Beneficial owner	252,016,000	36.70%
		150,314,868 (underwriting commitment)	21.89%
Jiangsu YD	Interest of a controlled corporation	252,016,000 <sup>2</sup>	36.70%
		150,314,868 (underwriting commitment by YDHK)	21.89%

*Notes:*

- (1) All interests in the Shares and underlying Shares were long positions.

- (2) These Shares are registered in the name of YDHK. Jiangsu YD holds the entire issued share capital of YDHK. Mr Liu Xiaoguang, an executive Director, is a director of YDHK. Mr Chen Yunhua, a non-executive Director, is a director of YDHK and the chairman of the board of Jiangsu YD. Mr Qi Guang Ya, a non-executive Director, is a director of Jiangsu YD.
- (3) Save as disclosed above, none of the Directors was a director or an employee of a company which has an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Save as disclosed above, so far as is known to the Directors, other than a Director or chief executive of the Company, there is no other person who had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, had direct or indirect interests amounting to 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any members of the Group.

## 5. DIRECTOR'S INTEREST IN ASSETS/CONTRACTS AND OTHER INTERESTS

As at the Latest Practicable Date:

- (1) none of the Directors had any direct or indirect interest in any asset which had been acquired, or disposed of by, or leased to any member of the Group, or was proposed to be acquired, or disposed of by, or leased to any member of the Group since 31 December 2010, the date to which the latest published audited financial statements of the Group were made up; and
- (2) none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group which contract or arrangement was subsisting at the Latest Practicable Date and which was significant in relation to the business of the Group.

## 6. COMPETING INTEREST

As at the Latest Practicable Date, so far as the Directors are aware of, no Director or his/her respective associates had any interest in businesses which competes or is likely to compete, either directly or indirectly, with the business of the Group.

## 7. NO MATERIAL CHANGE

Save as disclosed below, as at the Latest Practicable Date, the Directors were not aware of any material change in the financial or trading position of the Group since 31 December 2010, being the date to which the latest published audited financial statements of the Group were made up:

- (1) on 26 September 2011, the Company announced that Ample Source Investment Limited (“**Ample Source**”), an indirect wholly-owned subsidiary of the Company as purchaser, entered into a sale and purchase agreement with Mr Bao Dongbin, Mr Bao Enwei and Mr Bao Jikun as vendors, pursuant to which Ample Source

has conditionally agreed to purchase and Mr Bao Dongbin, Mr Bao Enwei and Mr Bao Jikun have conditionally agreed to sell the 22% equity interest in Tong Ling Guan Hua Mining Company Limited\* (“**Tong Ling**”) at a total consideration of RMB100 million. Such transaction has not yet been completed;

- (2) for the six months ended 30 June 2011, the Group recorded unaudited profit and total comprehensive income for the period of approximately RMB58.9 million. The profit and total comprehensive income of the Group for the six months ended 30 June 2011 increased substantially as compared to that for the six months ended 30 June 2010 of approximately HK\$28.6 million principally due to (i) the overall market for zinc, lead, iron and gold have started to improve since the third quarter of 2009; (ii) the Group has received a compensation of approximately RMB44,186,000 from profit guarantee given by vendors of Tong Ling, details of which were disclosed in the announcement of the Company dated 16 April 2010;
- (3) on 16 August 2011, Yue Da Mining Limited, a wholly-owned subsidiary of the Company as vendor, entered into a disposal agreement with Feng Hua Group Limited as purchaser, to dispose 41.1% interests in each of Pleasure Resources Limited, Joyous Field Investments Limited and Joyful Well Investments Limited (collectively “**Target BVI Companies**”) and a shareholder’s loan of RMB31,902,677.12 owed by the Target BVI Companies to Yue Da Mining Limited before the disposal to Feng Hua Group Limited at a total consideration of RMB91 million. Such transaction was completed on 30 December 2011; and
- (4) on 8 April 2011, Yue Da Mining Limited entered into an instrument of transfer and assignment of loan agreement with Feilong Holdings Limited (“**Feilong Holdings**”), pursuant to which Yue Da Mining Limited acquired 100 ordinary shares of US\$1 each, being the entire issued share capital of Morel Well Enterprises Limited (“**Morel Well**”) and a shareholder’s loan of RMB3,370,000 owed by Morel Well to Feilong Holdings immediately before the acquisition from the Feilong Holdings at a total consideration of RMB22.5 million. Such transaction was completed on 8 April 2011.

## 8. MATERIAL CONTRACTS

The following contracts (being contracts not entered into in the ordinary course of business carried on or intended to be carried on by the Group) have been entered into by the members of the Group after the date of two years immediately preceding the date of the Announcement, and up to the Latest Practicable Date, and are or may be material:

- (a) the Underwriting Agreement;
- (b) the underwriting agreement dated 13 January 2010 entered into among the Company, OSK Securities Hong Kong Limited (“**OSK**”) and Get Nice Securities Limited (“**Get Nice**”) as underwriters in relation to an open offer, pursuant to which (i) Get Nice agrees to underwrite 50,000,000 offer shares on a several basis and (ii) OSK agrees to underwrite not less than 97,528,982 offer shares and not more than 113,582,982 offer shares on a several basis, each at a commission of two

per cent. of the aggregate subscription price of HK\$1.2 per offer share in respect of the number of offer shares underwritten by Get Nice and in respect of the maximum number of the offer shares underwritten by OSK respectively;

- (c) the framework agreement dated 10 March 2010 entered into between the Company and 四川省鹽源縣平川鐵礦 (“**Pingchuan Iron Mining Company**”), pursuant to which the Company is to form a joint venture with Pingchuan Iron Mining Company, with the Company and Pingchuan Iron Mining Company holding 49% and 51% equity interest in the joint venture respectively (no payment of consideration was involved in the said agreement);
- (d) the conditional acquisition agreement dated 15 April 2010 entered into among Yue Da Mining Limited, a wholly-owned subsidiary of the Company, with, among others, Bright Harvest Holdings Limited (“**Bright Harvest**”) to acquire the entire issued share capital of Absolute Apex Limited and the shareholder’s loan from Bright Harvest at the consideration of HK\$259 million;
- (e) the joint venture agreement dated 20 May 2010 (“**JV Agreement**”) entered into between Pingchuan Iron Mining Company and Yue Da Pingchuan Limited, a wholly owned subsidiary of the Company for the formation of 涼山州悅川礦業有限公司 (“**Yuechuan JV**”) which would be principally engaged in the exploration of black and nonferrous metals and the purchase and sale of mineral products (including iron, lead and zinc), pursuant to which Pingchuan Iron Mining Company and Yue Da Pingchuan Limited have contributed RMB51 million and RMB49 million respectively to Yuechuan JV;
- (f) the supplemental agreement to the JV Agreement dated 2 July 2010 entered into between Pingchuan Iron Mining Company and Yue Da Pingchuan Limited, pursuant to which a mine situated at Yanyuan County, Sichuan Province, the PRC comprising an area of about six square kilometers of 平川鐵礦後備礦山爛紙廠礦段 (Pingchuan Iron Reserve Mine (Lanzhichang lot)\*) would be developed by Yuechuan JV (no payment of consideration was involved in the said agreement);
- (g) the instrument of transfer and an assignment of loan agreement dated 8 April 2011 and entered into between Yue Da Mining Limited, a wholly-owned subsidiary of the Company, and Feilong Holdings, pursuant to which Yue Da Mining Limited acquired 100 ordinary shares of US\$1 each, being the entire issued share capital of the Morel Well and a shareholder’s loan of RMB3,370,000 owed by Morel Well to Feilong Holdings immediately before the acquisition from the Feilong Holdings at a total consideration of RMB22.5 million;
- (h) the disposal agreement dated 16 August 2011 entered into between Feng Hua Group Limited as purchaser and Yue Da Mining Limited, a wholly-owned subsidiary of the Company, as vendor, pursuant to which Yue Da Mining Limited would dispose 41.1% interest in each of Pleasure Resources Limited, Joyous Field Investments Limited and Joyful Well Investments Limited (collectively the

“**Target BVI Companies**”) and a shareholder’s loan of RMB31,902,677.12 owed by the Target BVI Companies to Yue Da Mining Limited immediately before the disposal to Feng Hua Group Limited at a total consideration of RMB 91 million;

- (i) the share purchase agreement dated 26 September 2011 (“**Tong Ling SP Agreement**”) entered into between Ample Source as purchaser, an indirect wholly-owned subsidiary of the Company, and Mr Bao Dongbin, Mr Bao Enwei and Mr Bao Jikun as vendors (collectively the “**Vendors**”), pursuant to which Ample Source would acquire an aggregate of 22% of equity interests in Tong Ling, a limited liability company established in the PRC which was owned as to 70% by Ample Source, at an aggregate consideration of RMB100 million; and
- (j) the supplemental agreement dated 14 October 2011 to the Tong Ling SP Agreement entered into between Ample Source and the Vendors, pursuant to which the parties thereto have agreed to extend the long stop date of the Tong Ling SP Agreement from 31 December 2011 to 30 June 2012 at nil consideration.

## 9. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against any member of the Group or to which the Company or any of its subsidiaries was, or might become, a party.

## 10. EXPERT AND CONSENT

The following is the qualification of the expert whose statement has been included in this prospectus:

Deloitte Touche Tohmatsu                      Certified public accountants

Deloitte Touche Tohmatsu has given, and has not withdrawn, its written consent to the issue of this prospectus with the inclusion herein of its letters or references to its names in the form and context in which it appears.

As at the Latest Practicable Date, Deloitte Touche Tohmatsu did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

Deloitte Touche Tohmatsu did not have any direct or indirect interests in any assets which have been, since 31 December 2010 (being the date to which the latest published audited consolidated accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or which are proposed to be acquired or disposed of by or leased to any member of the Group.

**11. SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had entered or was proposing to enter into any service contract with the Company, or any member of the Group, which is not terminable by the Group within one year without payment of compensation (other than statutory compensation).

**12. PARTICULARS OF DIRECTORS****(1) Name and address of the Directors**

<b>Name</b>	<b>Address</b>
<i>Executive Directors</i>	
Mr Dong Li Yong	Flat C2, 9th Floor Paterson Building 37 Paterson Street Causeway Bay Hong Kong
Mr Liu Xiaoguang	Room 21–304 Shenghuai Community East Yulong Road Yancheng Municipality Jiangsu Province PRC
Mr Hu Huaimin	Flat C2, 9th Floor Paterson Building 37 Paterson Street Causeway Bay Hong Kong
<i>Non-executive Directors</i>	
Mr Chen Yunhua	Room 401, Block 38 Yi Yuan Ting Hu District Yancheng City Jiangsu Province PRC
Mr Qi Guang Ya	Room 11–505 West Yuedadushi Community Middle Renmin Road Yancheng Municipality Jiangsu Province PRC

Name	Address
<i>Independent non-executive Directors</i>	
Ms Leung Mei Han	3 Braga Circuit Mongkok Kowloon Hong Kong
Mr Cui Shu Ming	Flat B, 17th Floor Tower 11, Caribbean Coast 1 Kin Tung Road Tung Chung New Territories Hong Kong
Mr Han Run Sheng	1 Wenchang Alley North Huancheng Road Wuhua District Kunming Municipality Yunnan Province PRC
Dr Liu Yongping	Flat B, 22th Floor The Rednaxela No. 1 Rednaxela Terrace Mid-Levels Hong Kong

## (2) Brief biographical details of the Directors

### *Executive Directors*

**Mr DONG Li Yong**, aged 41, joined the Group in 1995. Mr Dong has been an executive Director of the Company since 2001. While remaining as an executive Director of the Company, he also holds office of vice chairman of the Board and chief executive officer of the Company. He is primarily responsible for the overall business operations of the Group focusing on strategic planning, business development, investors' relationship as well as corporate finance. He graduated from the People's University of China, Beijing in 1995 with a bachelor degree in economics, majored in marketing. In May 2005, Mr Dong graduated from the Haas School of Business, University of California, Berkeley with a master degree in business administration. Mr Dong is a director of each of Yue Da Mining Limited, Yue Da Infrastructure Limited and eleven other subsidiaries of Yue Da Mining Limited incorporated in the BVI, all being direct/indirect subsidiaries of the Company. Mr Dong is also a non-executive director of Xiangyu Dredging Holdings Limited, the shares of which are listed on the main board of the Stock Exchange.



**Mr LIU Xiaoguang**, aged 58, joined the Group as a non-executive Director in January 2007. He is a senior economist in the PRC. He graduated from Soochow University with a bachelor degree in jurisprudence. He has over 18 years' experience in corporate planning and management. In 1991, Mr Liu joined Jiangsu YD and had been an assistant to general manager, deputy general manager and chief secretary to the board of directors of Jiangsu YD. Mr Liu is a director of YDHK.

**Mr HU Huaimin**, aged 38, joined the Group in January 2007 and is the executive vice president of the Company. His major job responsibilities include the operation and management of mining projects of the Group. Also, he is currently a director of each of Feilong Nonferrous (保山市飛龍有色金屬有限責任公司), Tengchong Ruitu Mining and Technology Company Limited\* (騰沖縣瑞土礦業有限責任公司), Yaoan Feilong Mining Co., Ltd.\* (姚安縣飛龍礦業有限責任公司), Zhen'an County Daqian Mining Development Co., Ltd.\* (鎮安縣大乾礦業發展有限公司), Tong Ling and Yuechuan JV (涼山州悅川礦業有限責任公司), all of which are the subsidiaries of the Company. Mr Hu graduated from the Law School of Nanjing University and is qualified as a Chinese lawyer and an economist. He has over 15 years of experience in the Chinese lawyer practice, corporate legal affairs, investment project operation and management.

*Non-executive Directors*

**Mr CHEN Yunhua**, aged 58, joined the Group in November 2009, is the chairman of the Board and 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 YDHK and the chairman of the board of Jiangsu YD.

**Mr QI Guangya**, aged 42, joined the Group as a non-executive Director since January 2007. He is a senior accountant and a certified public accountant in the PRC and a senior international finance manager certified by International Finance Management Association (國際財務管理協會). He graduated from Jiangsu Provincial Party Committee School (江蘇省委黨校) with a postgraduate degree. He has over 20 years' experience in financial management. In 1991, Mr Qi joined a subsidiary of Jiangsu YD, and has been a director, chief accountant and deputy general manager of Jiangsu YD.

*Independent non-executive Directors*

**Mr HAN Runsheng**, aged 47, has been appointed as an independent non-executive Director of the Company in January 2007. He graduated from the Kunming University of Science and Technology with a doctoral degree in mineral resource prospecting and exploration (礦產普查與勘探) and completed the post-doctoral fellowship at the Institute of Geochemistry of the Chinese Academy of Sciences (中國科學院地球化學研究所). Mr Han was a researcher and tutor to doctoral degree candidates at the Kunming University of Science and Technology. Mr Han was also the head of Southwest Geology Survey Centre of the Institute of Mineral and Geology Survey of Nonferrous Metals (有色金屬礦產地質調查中心西南地質調查所所長) and a part-time professor at Southwest University of Science and Technology. In addition, Mr Han is currently the Cross-Century Young Academic and Technical Leader of the Yunnan Province (雲南省跨世紀中青年學術和技術帶頭人) and the State-level candidate of the project of “Hundreds, Thousands, and Ten Thousands of Talents for the New Century” (新世紀百千萬人才工程) of the Ministry of Education. Mr Han’s major areas of research study are the research and teaching of the location forecasting of concealed ore-body, tectonic geochemistry, dynamic tectonic mineralization and mineral and geology survey.

**Ms LEUNG Mei Han**, aged 53, has been appointed as an independent non-executive Director of the Company since January 2007. She is a fellow member of CPA Australia. She graduated from the University of Queensland with a bachelor degree in commerce. Ms Leung is an executive director of Guojin Resources Holdings Limited, the shares of which are listed on the main board of the Stock Exchange. Ms Leung is the chairman and an executive director of Optima Capital Limited (a firm of corporate finance advisers and a licensed corporation under the SFO). She has over 27 years’ experience in accounting, securities, corporate finance and related areas. Ms Leung is also an independent non-executive director of Bossini International Holdings Limited, Four Seas Mercantile Holdings Limited and Xiangyu Dredging Holdings Limited, the shares of which are listed on the main board of the Stock Exchange.

**Mr CUI Shuming**, aged 74, 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 International Financial Holdings Limited, 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.

**Dr LIU Yongping**, aged 56, is a consultant of a firm of solicitors in Hong Kong. Dr Liu graduated from Renmin University of China (中國人民大學) in 1983 with a bachelor degree in law, and graduated from the University of London in 1987 with a master degree in law. In 1994, Dr Liu graduated from the University of Oxford with a doctor of philosophy. Previously, Dr Liu worked for the People's Government of Beijing. At present, Dr Liu is a practicing solicitor in Hong Kong. Dr Liu has profound knowledge in the laws of the PRC, Hong Kong and England. Since 1994, Dr Liu has embarked in areas on listing application for PRC based companies in Hong Kong and work on merger and acquisition. Dr Liu is acquainted with matters concerning the Listing Rules.

The business address of the Directors is the same as the address of the Company's head office and principal place of business in Hong Kong at Office nos. 3321–3323 and 3325, China Merchants Tower, Shun Tak Centre, 168–200 Connaught Road Central, Sheung Wan, Hong Kong.

### 13. SECRETARY OF THE COMPANY

The secretary of the Company is Mr Ong Chi King, who is a member of Hong Kong Institute of Certified Public Accountants (HKICPA) and a fellow of the Association of Chartered Certified Accountants.

### 14. MISCELLANEOUS

In the event of inconsistency, the English text of this prospectus shall prevail over its respective Chinese text.

### 15. CORPORATE INFORMATION AND OTHER PARTIES INVOLVED IN THE OPEN OFFER

Registered office	Cricket Square, Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Head office and principal place of business in Hong Kong	Office nos. 3321–3323 and 3325 China Merchants Tower Shun Tak Centre 168–200 Connaught Road Central Sheung Wan Hong Kong
Company secretary	Mr Ong Chi King <i>CPA</i>

Authorised representatives (for purpose of the Listing Rules)	Mr Dong Li Yong Flat C2, 9th Floor, Block C Paterson Building, 37 Paterson Street Causeway Bay Hong Kong
	Mr Liu Xiao Guang Room 21-304 Shanghuai Community East Yulong Road Yancheng Municipality Jiangsu Province PRC
Auditors	Deloitte Touche Tohmatsu, Certified Public Accountants 35th Floor One Pacific Place 88 Queensway Hong Kong
Legal adviser to the Company as to Hong Kong law	Chiu & Partners 40th Floor, Jardine House 1 Connaught Place Hong Kong
Principal share registrar and transfer office	HSBC Trustee (Cayman) Limited P.O. Box 484 HSBC House 68 West Bay Road Grand Cayman Cayman Islands KY1-1006
Hong Kong branch share registrar and transfer office	Hong Kong Registrars Limited Shops 1712-1716, 17th Floor Hopewell Centre 183 Queen's Road East Wanchai Hong Kong
Principal bankers	Industrial and Commercial Bank of China (Asia) Limited 33rd Floor, ICBC Tower 3 Garden Road Hong Kong

Underwriter

Yue Da Group (H.K.) Co., Limited  
Office nos. 3321–3323 and 3325  
China Merchants Tower  
Shun Tak Centre  
168–200 Connaught Road Central  
Sheung Wan  
Hong Kong

## 16. EXPENSES

The expenses in connection with the Open Offer, including financial, legal and other professional advisory fees, printing and translation expenses are estimated to be approximately HK\$5 million and will be payable by the Company (which is exclusive of the underwriting commission of approximately HK\$1.5 million payable by the Company to the Underwriter).

## 17. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of each of the Prospectus Documents, together with the written consent referred to in the paragraph headed “Expert and Consent” in this appendix, has been registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies Ordinance.

## 18. LEGAL EFFECT

The Prospectus Documents and all acceptances of any offer or application contained in or made on such documents, are governed by and shall be construed in accordance with the laws of Hong Kong. Where an application is made in pursuance of any of such documents, the relevant document(s) shall have the effect of rendering all persons concerned bound by the provisions, other than the penal provisions, of Sections 44A and 44B of the Companies Ordinance, so far as applicable.

**19. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection during normal business hours from 10:00 a.m. to 5:00 p.m. (except Saturdays and public holidays) at the principal place of business of the Company in Hong Kong at Office nos. 3321–3323 and 3325, China Merchants Tower, Shun Tak Centre, 168–200 Connaught Road Central, Sheung Wan, Hong Kong from the date of this prospectus up to and including 7 March 2012:

- (a) the memorandum and articles of association of the Company;
- (b) the annual report of the Group for each of the two financial years ended 31 December 2010;
- (c) the interim report of the Group for the six months' period ended 30 June 2011;
- (d) the letter signed by Deloitte Touche Tohmatsu setting out their opinion on the unaudited pro forma financial information of the Group, the text of which is set out in Appendix II to this prospectus;
- (e) the written consent referred to under the section headed "Expert and Consent" in this appendix;
- (f) the material contracts referred to under the paragraph headed "Material Contracts" in this appendix; and
- (g) the Prospectus Documents.