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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)

CONTINUING CONNECTED TRANSACTIONS:

TENANCY AGREEMENTS FOR OFFICE PREMISES AND STAFF QUARTERS

Reference is made to the Company's announcements dated 27 August 2007 and 27 August 2010 respectively in relation to, among other things, the entering into by the Company of the 2010 STC Tenancy Agreement, the 2010 Victoria Tenancy Agreement and the 2010 Paterson Tenancy Agreement which constituted continuing connected transactions for the Company.

As both the 2010 Victoria Tenancy Agreement and the 2010 Paterson Tenancy Agreement expired on 31 December 2012, on 21 March 2013, the Company as tenant entered into the 2013 Victoria Tenancy Agreement and the 2013 Paterson Tenancy Agreement respectively with Yue Da HK and Yue Da Enterprise as the respective landlord, both for a term of three years commencing from 1 January 2013.

In view that the 2010 STC Tenancy Agreement will expire on 31 August 2013, the Board considers it desirable to bring in line the commencement date of the 2013 STC Tenancy Agreement with those of the 2013 Victoria Tenancy Agreement and the 2013 Paterson Tenancy Agreement. On 21 March 2013, the Company as tenant entered into the 2013 STC Tenancy Agreement with Yue Da HK as landlord for a term of three years commencing from 1 January 2013. Upon the 2013 STC Tenancy Agreement becoming effective, the 2010 STC Tenancy Agreement shall terminate and cease to have effect.

Each of the 2013 Tenancy Agreements shall operate as from the commencement date of their respective term, i.e. 1 January 2013.

Pursuant to Rule 14A.26(1) of the Listing Rules, the transactions contemplated under the 2013 Tenancy Agreements have to be aggregated and treated as if they were one transaction. Upon such aggregation, the relevant applicable percentage ratios (as prescribed under Chapter 14 of the Listing Rules) for each of the three financial years ending 31 December 2015, on an annual basis, do not exceed 5%. Accordingly, the transactions contemplated under the 2013 Tenancy Agreements (after such aggregation) is only subject to announcement and reporting requirements and is exempt from the independent shareholders' approval under Chapter 14A of the Listing Rules.

INTRODUCTION

Reference is made to the Company's announcements dated 27 August 2007 and 27 August 2010 respectively in relation to, among other things, the entering into by the Company of the 2010 STC Tenancy Agreement, the 2010 Victoria Tenancy Agreement and the 2010 Paterson Tenancy Agreement which constituted continuing connected transactions for the Company.

As both the 2010 Victoria Tenancy Agreement and the 2010 Paterson Tenancy Agreement expired on 31 December 2012, on 21 March 2013, the Company as tenant entered into the 2013 Victoria Tenancy Agreement and the 2013 Paterson Tenancy Agreement respectively with Yue Da HK and Yue Da Enterprise as the respective landlord, both for a term of three years commencing from 1 January 2013.

In view that the 2010 STC Tenancy Agreement will expire on 31 August 2013, the Board considers it desirable to bring in line the commencement date of the 2013 STC Tenancy Agreement with those of the 2013 Victoria Tenancy Agreement and the 2013 Paterson Tenancy Agreement. On 21 March 2013, the Company as tenant entered into the 2013 STC Tenancy Agreement with Yue Da HK as landlord for a term of three years commencing from 1 January 2013. Upon the 2013 STC Tenancy Agreement becoming effective, the 2010 STC Tenancy Agreement shall terminate and cease to have effect.

Each of the 2013 Tenancy Agreements shall operate as from the commencement date of their respective term, i.e. 1 January 2013.

THE 2013 TENANCY AGREEMENTS

The 2013 STC Tenancy Agreement

Date:	21 March 2013
Parties:	(1) Yue Da HK as landlord; and (2) the Company as tenant
Property:	The STC Office, the gross floor area of which is approximately 504 square metres
Term:	Commencing from 1 January 2013 and up to 31 December 2015 (both dates inclusive)
Rental and payment terms:	HK\$250,000 per month (excluding rates, management fees and utility charges), i.e. an annual rental of HK\$3,000,000. The rental shall be paid on a monthly basis and is payable on the first day of each and every month without any deduction.

Other terms: If the Company has throughout the term of the 2013 STC Tenancy Agreement observed and performed all the terms and covenants on its part, it shall have an option to renew for another three years by serving a written notice to Yue Da HK not less than two months before the expiry of the said term. The tenancy agreement so renewed shall have the same terms as contained in the 2013 STC Tenancy Agreement save and except such option to renew and that the rental shall be revised to the then market rent.

Yue Da HK agrees to pay the government rent, property tax and all expenses of a capital or non-recurrent nature in respect of the STC Office.

The 2013 Paterson Tenancy Agreement

Date: 21 March 2013

Parties: (1) Yue Da Enterprise as landlord; and
(2) the Company as tenant

Property: The Paterson Property, the gross floor area of which is approximately 150 square metres

Term: Commencing from 1 January 2013 and up to 31 December 2015 (both dates inclusive)

Rental and payment terms: HK\$20,000 per month (excluding rates, management fees and utility charges), i.e. an annual rental of HK\$240,000.

The rental shall be paid on a monthly basis and is payable on the first day of each and every month without any deduction.

Other terms: If the Company has throughout the term of the 2013 Paterson Tenancy Agreement observed and performed all the terms and covenants on its part, it shall have an option to renew for another three years by serving a written notice to Yue Da Enterprise not less than two months before the expiry of the said term. The tenancy agreement so renewed shall have the same terms as contained in the 2013 Paterson Tenancy Agreement save and except such option to renew and that the rental shall be revised to the then market rent.

Yue Da Enterprise agrees to pay the government rent, property tax and all expenses of a capital or non-recurrent nature in respect of the Paterson Property.

The 2013 Victoria Tenancy Agreement

Date:	21 March 2013
Parties:	(1) Yue Da HK as landlord; and (2) the Company as tenant
Property:	The Victoria Property, the gross floor area of which is approximately 120 square metres
Term:	Commencing from 1 January 2013 and up to 31 December 2015 (both dates inclusive)
Rental and payment terms:	HK\$25,000 per month (excluding rates, management fees and utility charges), i.e. an annual rental of HK\$300,000. The rental shall be paid on a monthly basis and is payable on the first day of each and every month without any deduction.
Other terms:	If the Company has throughout the term of the 2013 Victoria Tenancy Agreement observed and performed all the terms and covenants on its part, it shall have an option to renew for another three years by serving a written notice to Yue Da HK not less than two months before the expiry of the said term. The tenancy agreement so renewed shall have the same terms as contained in the 2013 Victoria Tenancy Agreement save and except such option to renew and that the rental shall be revised to the then market rent. Yue Da HK agrees to pay the government rent, property tax and all expenses of a capital or non-recurrent nature in respect of the Victoria Property.

AGGREGATE ANNUAL CAPS FOR THE RENTALS PAYABLE UNDER THE 2013 TENANCY AGREEMENTS FOR THE THREE FINANCIAL YEARS ENDING 31 DECEMBER 2015

The following table sets out (i) the aggregate annual rentals payable by the Company to Yue Da HK and Yue Da Enterprise (as the case may be) under the 2013 Tenancy Agreements for the three financial years ending 31 December 2015 and (ii) the expected aggregate annual caps in respect of such rentals:

	Year ending 31 December		
	2013 (HK\$)	2014 (HK\$)	2015 (HK\$)
Rentals payable under the 2013 STC Tenancy Agreement	3,000,000	3,000,000	3,000,000
Rentals payable under the 2013 Paterson Tenancy Agreement	240,000	240,000	240,000
Rentals payable under the 2013 Victoria Tenancy Agreement	300,000	300,000	300,000
Aggregate annual rentals payable	<u>3,540,000</u>	<u>3,540,000</u>	<u>3,540,000</u>
Aggregate Annual Caps (as defined below)	<u><u>3,540,000</u></u>	<u><u>3,540,000</u></u>	<u><u>3,540,000</u></u>

The above expected maximum aggregate annual caps are determined in accordance with the rentals payable to Yue Da HK and Yue Da Enterprise under the 2013 Tenancy Agreements (“**Aggregate Annual Caps**”), which were arrived at after arm’s length negotiation between the parties and determined with reference to (i) the previous rentals under the 2010 Tenancy Agreements; and (ii) the current market rent payable for a property similar to the subject property and of comparable utility. The Directors, including the independent non-executive Directors, are of the view that the above rentals are fair, reasonable and in line with the market level, hence the Aggregate Annual Caps are fair and reasonable.

REASONS FOR ENTERING INTO THE 2013 TENANCY AGREEMENTS

The Paterson Property and Victoria Property have been used by the Company as its staff quarters since 2001 and 2007 respectively. The Directors intend to continue using the Victoria Property and the Paterson Property as the Company’s staff quarters.

Since 1 September 2007, the STC Office has been used by the Company as its principal place of business in Hong Kong. Having regard to the prime location of the STC Office, the rentals of comparable office premises, and renovation and associated costs which the Company may incur if it moves out of the STC Office, the Directors consider that it is desirable and in the interests of the Company and the Shareholders as a whole to continue using the STC Office as the principal place of business of the Company in Hong Kong.

The Directors, including the independent non-executive Directors, are of the view that

- (a) the terms of the 2013 Tenancy Agreements are negotiated between the parties on an arm’s length basis and are on normal commercial terms that are fair and reasonable;

- (b) the transactions contemplated under the 2013 Tenancy Agreements were and will be conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole; and
- (c) the terms of the 2013 Tenancy Agreements are no less favourable to the Company than terms available from independent third parties.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Company is owned as to 42.51% by Yue Da HK. Accordingly, Yue Da HK is a substantial shareholder of the Company and thus a connected person of the Company under Rule 14A.11(1) of the Listing Rules.

Both Yue Da HK and Yue Da Enterprise are wholly owned by Jiangsu Yue Da. Accordingly, Yue Da Enterprise is an associate of the Company, hence a connected person of the Company under Rule 14A.11(4) of the Listing Rules.

For such reasons, the respective transactions contemplated under each of the 2013 Tenancy Agreements constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.26(1) of the Listing Rules, the transactions contemplated under the 2013 Tenancy Agreements have to be aggregated and treated as if they were one transaction. Upon such aggregation, the relevant applicable percentage ratios (as prescribed under Chapter 14 of the Listing Rules) for each of the three financial years ending 31 December 2015, on an annual basis, do not exceed 5%. Accordingly, the transactions contemplated under the 2013 Tenancy Agreements (after such aggregation) is only subject to announcement and reporting requirements and is exempt from the independent shareholders' approval under Chapter 14A of the Listing Rules.

Messrs Liu Xiaoguang (an executive Director and a director of Yue Da HK), Chen Yunhua (a non-executive Director, a director of Yue Da HK and the chairman of the board of Jiangsu Yue Da) and Qi Guangya (a non-executive Director and a director of Jiangsu Yue Da) abstained from voting on the relevant board resolution(s) approving the 2013 Tenancy Agreements and the Aggregate Annual Caps.

GENERAL

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

Yue Da HK is the immediate holding company of the Company and is ultimately wholly owned by Jiangsu Yue Da, a State-owned enterprise established in the PRC. The principal businesses of Yue Da HK include investment holding and trading of marketable securities. Yue Da HK is the registered owner of the STC Office and the Victoria Property.

The principal businesses of Yue Da Enterprise include investment holding and property investment. Yue Da Enterprise is the registered owner of the Paterson Property.

DEFINITIONS

“2010 Paterson Tenancy Agreement”	the agreement dated 1 January 2010 entered into between Yue Da Enterprise as landlord and the Company as tenant in relation to the leasing of the Paterson Property for a term of three years commencing from 1 January 2010 and up to 31 December 2012
“2010 STC Tenancy Agreement”	the agreement dated 27 August 2010 entered into between Yue Da HK as landlord and the Company as tenant in relation to the leasing of the STC Office for a term of three years commencing from 1 September 2010 and up to 31 August 2013
“2010 Tenancy Agreements”	collectively, the 2010 Paterson Tenancy Agreement, the 2010 STC Tenancy Agreement and the 2010 Victoria Tenancy Agreement
“2010 Victoria Tenancy Agreement”	the agreement dated 1 January 2010 entered into between Yue Da HK as landlord and the Company as tenant in relation to the leasing of the Victoria Property for a term of three years commencing from 1 January 2010 and up to 31 December 2012
“2013 Paterson Tenancy Agreement”	the agreement dated 21 March 2013 entered into between Yue Da Enterprise as landlord and the Company as tenant in relation to the leasing of the Paterson Property for a term of three years commencing from 1 January 2013 and up to 31 December 2015
“2013 STC Tenancy Agreement”	the agreement dated 21 March 2013 entered into between Yue Da HK as landlord and the Company as tenant in relation to the leasing of the STC Office for a term of three years commencing from 1 January 2013 and up to 31 December 2015
“2013 Tenancy Agreements”	collectively, the 2013 Paterson Tenancy Agreement, the 2013 STC Tenancy Agreement and the 2013 Victoria Tenancy Agreement
“2013 Victoria Tenancy Agreement”	the agreement dated 21 March 2013 entered into between Yue Da HK as landlord and the Company as tenant in relation to the leasing of the Victoria Property for a term of three years commencing from 1 January 2013 and up to 31 December 2015
“Aggregate Annual Caps”	the aggregate expected maximum amount of the transactions contemplated under the 2013 Tenancy Agreements for the three financial years ending 31 December 2015 as set out in the paragraph headed “Aggregate Annual Caps for the rentals payable under the 2013 Tenancy Agreements for the three financial years ending 31 December 2015” in this announcement
“associate(s)”	having the meaning ascribed to it under the Listing Rules
“Board”	the board of the Directors
“Company”	Yue Da Mining Holdings Limited 悦達礦業控股有限公司, an exempted 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

“connected person(s)”	having the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong for the time being
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Jiangsu Yue Da”	江蘇悅達集團有限公司 (Jiangsu Yue Da Group Company Limited), a State-owned enterprise established in the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Paterson Property”	Flat C2 on 9th Floor of Paterson Building, Block C and D, No. 37 Paterson Street, Hong Kong
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“STC Office”	Office nos. 3321, 3322, 3323 and 3325 on 33rd Floor, China Merchants Tower, Shun Tak Centre, Nos. 168–200 Connaught Road Central, Hong Kong
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Victoria Property”	Flat C on 30/F of Victoria Centre, Phase 2, No. 15 Watson’s Street, Hong Kong
“Yue Da Enterprise”	Yue Da Enterprise Group (H.K.) Company Limited (悅達實業集團(香港)有限公司), a company incorporated under the laws of Hong Kong and an associate of the Company
“Yue Da HK”	Yue Da Group (H.K.) Co., Limited (悅達集團(香港)有限公司), a company incorporated under the laws of Hong Kong and a substantial shareholder of the Company

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

Hong Kong, 21 March 2013

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