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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)**

#### **VOLUNTARY ANNOUNCEMENT: ACQUISITION OF 95% INTEREST IN A PRC COMPANY**

The Board is pleased to announce that, on 13 May 2013, the Purchaser (a non-wholly owned subsidiary of the Company) entered into the Agreement with the Vendor, pursuant to which the Purchaser has conditionally agreed to purchase and the Vendor has conditionally agreed to sell the Sale Interest, subject to and on the conditions and terms of the Agreement.

The Consideration is RMB12 million which shall be payable by remittance of the same amount of cash by the Purchaser to an account designated by the Vendor upon Completion.

As all the applicable percentage ratios for the Acquisition are less than 5%, the Acquisition does not constitute a notifiable transaction of the Company under the Listing Rules.

This is a voluntary announcement made by the Company.

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#### **THE AGREEMENT**

**Date:** 13 May 2013

**Parties:** (1) the Purchaser; and  
(2) the Vendor

As at the date of this announcement, to the best knowledge and belief of the Directors, the Vendor and its ultimate beneficial owner(s) are Independent Third Parties.

#### **Assets to be acquired**

Pursuant to the Agreement, the Purchaser has conditionally agreed to purchase and the Vendor has conditionally agreed to sell the Sale Interest (i.e. the 95% equity interest in the Target), subject to and on the conditions and terms of the Agreement.

Upon Completion of the Acquisition, the Target will be an indirect subsidiary of the Company which will be owned as to 95% by the Purchaser and 5% by the Vendor.

### **Consideration and payment**

The Consideration is RMB12 million which shall be payable by remittance of the same amount of cash by the Purchaser to an account designated by the Vendor upon Completion.

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendor with reference to, (i) the total amount of registered capital of the Target being RMB12 million; (ii) the unaudited net assets value of approximately RMB10,358,000 of the Target as at 30 April 2013; and (iii) the prospect of the Target's business and the synergy effect of business with the Purchaser.

The Directors consider the Consideration is fair and reasonable to the Group and on normal commercial terms.

### **Conditions precedent**

Completion of the Acquisition is subject to the fulfillment of the following conditions:

- (i) all necessary consents and approvals required to be obtained by the Purchaser in respect of the Agreement and the transactions contemplated thereby;
- (ii) all necessary consents and approvals required to be obtained by the Vendor in respect of the Agreement and the transactions contemplated thereby;
- (iii) all necessary consents and approvals required to be obtained by the Company in respect of the Agreement and the transactions contemplated thereby; and
- (iv) (a) the approval by the State Administration for Industry and Commerce of the PRC or other relevant authorities on the Agreement, the amended articles of association of the Target and other documents to be submitted in connection with the Agreement; (b) completion of the registration of change of business information of the Target; and (c) the issue of an updated business licence of the Target.

In the event that one or more of the above conditions precedent are not fulfilled and remain unfulfilled on or before 12 August 2013 (being the 90th day after the date of the Agreement), the Agreement shall cease and be terminated and no party to the Agreement shall have any claim against the other party in respect of the Agreement.

### **Completion**

Completion shall take place on the day on which the last of all conditions precedents above to completion of the Agreement is satisfied.

### **INFORMATION OF THE VENDOR AND THE TARGET GROUP**

The Vendor is a company established in the PRC which is principally engaged in the business of processing earth and gravel cubes in the PRC.

The Target is a company established in the PRC which is principally engaged in the processing and sale of tailings and leach residue of gold ores.

According to the unaudited financial statements of the Target made up to 30 April 2013, the unaudited book value of the net assets of the Target was approximately RMB10,358,000.

## **REASONS FOR THE ACQUISITION**

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.

As disclosed in the annual report 2012 of the Company, the Purchaser is principally engaged in the mining and processing of gold in Anhui province, the PRC. As mentioned above, the Target is principally engaged in the processing and sale of tailings and leach residue of gold ores. After completion of the Acquisition, the tailings and residues remained after the mining and processing of gold ores by the Purchaser will be used by the Target for its further processing and sale, which is expected to generate further revenue for the Group. As such, the Directors believe the terms of the transactions contemplated under the Agreement are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

## **GENERAL**

As all the applicable percentage ratios for the Acquisition are less than 5%, the Acquisition does not constitute a notifiable transaction of the Company under the Listing Rules.

**Shareholders and potential investors are advised to exercise caution when dealing in the Shares of the Company.**

## **TERMS USED IN THIS ANNOUNCEMENT**

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

“Acquisition”	the acquisition by the Company from the Vendor of the Sale Interest pursuant to the terms and conditions of the Agreement
“Agreement”	the agreement dated 13 May 2013 and entered into between the Purchaser and the Vendor in respect of the Acquisition
“Board”	the board of Directors
“Company”	Yue Da Mining Holdings Limited (悦達礦業控股有限公司), a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange
“Completion”	the completion of the Acquisition
“Consideration”	the consideration of the Acquisition, being RMB12 million
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Third Party”	a person who is not a connected person of the Company and is independent of and not connected with the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	銅陵冠華礦業有限責任公司 (Tong Ling Guan Hua Mining Development Company Limited*), a limited liability company established in the PRC which is indirectly owned as to 70% by the Company
“Sale Interest”	95% equity interest in the Target
“Share(s)”	existing ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	銅陵冠華再生資源利用有限公司 (Tong Ling Guan Hua Renewable Energy Company Limited*), a limited company established in the PRC which is entirely owned by the Vendor as at the date of this announcement
“Vendor”	銅陵華建土石方工程有限責任公司 (Tong Ling Huajian Earth and Gravel Cube Construction Company Limited*), a limited company established in the PRC
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

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

Hong Kong, 13 May 2013

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

\* *for identification purpose only*