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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)

MAJOR TRANSACTION: PROPOSED ACQUISITION OF THE ENTIRE INTEREST IN A VIETNAM COMPANY

THE ACQUISITION

The Board is pleased to announce that on 5 September 2013 (after trading hours), the Purchaser, being a wholly-owned subsidiary of the Company, entered into the Acquisition Agreement with the Vendor, being a Vietnamese individual.

Pursuant to the Acquisition Agreement, the Purchaser conditionally agreed to acquire and the Vendor conditionally agreed to sell (i) the Sale Shares, being the entire issued share capital in Targetco A and Targetco B; and (ii) the Sale Loan, at the Consideration of US\$34 million (subject to any downward adjustments). The details on the manner of settlement of the Consideration are set out in the paragraph headed “Consideration” of “The Acquisition Agreement” below.

IMPLICATIONS OF THE LISTING RULES

As certain applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) exceed 25% but fall below 100%, the Acquisition constitutes a major transaction for the Company and will be subject to the approval of the Shareholders by way of poll pursuant to Chapter 14 of the Listing Rules at the EGM.

GENERAL

The EGM will be convened at which resolution(s) will be proposed to seek the approval of the Shareholders for the transactions contemplated under the Acquisition Agreement. In accordance with the Listing Rules, any vote at the EGM shall be taken by poll.

A circular containing, among other things, details of the Acquisition Agreement and the transactions as contemplated thereunder, together with notice convening the EGM will be despatched to Shareholders on or before 31 May 2014.

As the Completion is subject to the Closing Conditions, the Acquisition may or may not proceed. Shareholders and investors should exercise caution when dealing in securities of the Company.

The Board is pleased to announce that on 5 September 2013 (after trading hours), the Purchaser, entered into the Acquisition Agreement with the Vendor in relation to the sale and purchase of the entire issued share capital in the Target Companies pursuant to the terms and conditions therein. Details of the Acquisition Agreement and the transactions contemplated thereunder are set out below:

THE ACQUISITION AGREEMENT

Date

5 September 2013

Parties

- (A) Vendor: Truong Thi Kim Soan, being a Vietnam passport holder. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor is an Independent Third Party
- (B) Purchaser: Yue Da Mining Limited, being a direct wholly owned subsidiary of the Company

Assets to be acquired

Pursuant to the Acquisition Agreement, the Purchaser conditionally agreed to acquire and the Vendor conditionally agreed to sell:

- (A) the Sale Shares, being the entire issued share capital in Targetco A and Targetco B; and
- (B) the Sale Loan, the aggregate of such amount as equals the entirety of the face value of the loans outstanding as at the Completion Date made by or on behalf of the Vendor to Targetco A and Targetco B and all title, benefits and interests thereon.

The Purchaser shall not be obliged to purchase any of the Sale Shares and Sale Loan unless the sale and purchase of all the Sale Shares and Sale Loan are completed simultaneously.

Closing Conditions

Completion of the Acquisition is subject to the following Closing Conditions:

- (A) the approval by the Shareholders of the Acquisition and all other transactions contemplated by the Acquisition Agreement at the EGM to be held, and all other consents and acts required under the Listing Rules having been obtained and completed or, as the case may be, the relevant waiver from compliance with any of such rules having been obtained from the Stock Exchange;
- (B) all other authorisations, confirmations, consents, clearance, permissions and approvals (whether governmental, regulatory and otherwise) as may be required to be obtained by the Vendor and the Target Group Companies in respect of the transactions contemplated herein having been so obtained by the Vendor and the Target Group Companies;
- (C) the issue of a resources estimation geological technical report by the General Department of Geology and Minerals of Vietnam to the satisfaction of the Purchaser (and which should be dated no earlier than the date of the Acquisition Agreement), showing that the

quantity of the Resources in the area covered by the Mining Licence(s) are not less than 2 million metric tons based on (i) the Vietnam Mining Standard 333; and (ii) the drilling density and method reasonably required by the Purchaser;

(D) the Purchaser having obtained:

- (i) a technical report to be issued by the technical adviser as to mining acceptable to the Purchaser in accordance with the JORC Code and Listing Rules; and
- (ii) a valuation report to be issued in compliance with the JORC Code and the Listing Rules which shows that the value of the mining site(s) designated for the Target Mine as covered by the Mining Licence(s) is not less than the Adjusted Consideration, provided that any shortfall will be applied to reduce the amount of the Adjusted Consideration;

(E) Sao Mai having obtained the Mining Licence(s) of the Target Mine which covers an aggregate site area of not less than 300 hectares;

(F) the Purchaser being reasonably satisfied:

- (i) with the results of its due diligence review and investigation of the Target Group Companies;
- (ii) (a) with the confirmation by the Sao Mai Shareholders of the receipt in full of the considerations under the Sao Mai SP Agreement from the Vendor; and (b) that the Sao Mai SP Agreements having been completed and Targetco A and Targetco B having become the beneficial owner of 60% and 40% of the charter capital (fully paid-up) in Sao Mai, free from any encumbrance (other than that as contemplated by the Acquisition Agreement); and
- (iii) that a resolution is passed such that at Completion, the current director of Sao Mai having ceased to be and the nominee of the Purchaser before Completion having been appointed as the general director of Sao Mai;

(G) the Purchaser having received a copy of the legal opinion, in form and substance satisfactory to the Purchaser, to be issued by a firm of BVI lawyers designated by the Purchaser and covering such matters including but not limited to the legality, ownership and business of each of the Target Companies in such form and substance as may be required by the Purchaser;

(H) the Purchaser having received a copy of the legal opinion or legal diligence report (as the case may be), in form and substance satisfactory to the Purchaser, to be issued by a firm of Vietnam lawyers and covering (among other matters) the following major issues:

- (i) (after the completion of the Sao Mai SP Agreements and up to Completion) Targetco A and Targetco B legally and beneficially own 60% and 40% equity interests respectively in Sao Mai, free from any encumbrance (other than those contemplated to be created pursuant to the Acquisition Agreement), in accordance with the relevant laws and regulations of Vietnam;
- (ii) the Sao Mai SP Agreements are legally valid and enforceable and have been duly completed under the laws of Vietnam;

- (iii) Sao Mai is duly established and validly subsisting;
- (iv) Sao Mai has been the holder all relevant operating permits required at the time of its establishment and such permits remaining valid;
- (v) the legality of the operation and business of Sao Mai, which includes but is not limited to the aspects of exploration, mining, extraction, sales and export of minerals within Vietnam and to other countries in accordance with the Mineral Laws and all other relevant laws and regulations of Vietnam;
- (vi) Sao Mai has been the holder of all relevant Mining Licence(s) and Permits for carrying on its mining business at the Target Mine and all such Mining Licence(s) and Permits are in full force and effect and have not been revoked;
- (vii) Sao Mai has obtained the rights to use and occupy the properties leased by Sao Mai;
- (viii)(if required) all necessary approval, authorisation, consent, registration and filings required having been obtained and effected by Sao Mai and other Target Group Companies (where applicable) in relation to the Acquisition Agreement and the transactions contemplated thereunder,

and such other aspects of the law of Vietnam as the Purchaser may consider appropriate or relevant to the Acquisition;

- (I) the Target Companies having issued the audited consolidated accounts of the Target Group for the year ended (and as at) 31 December 2012 and the year ended (and as at) the Accounts Date;
- (J) as at the date immediately before the Completion Date, the net tangible asset value of the Target Group as shown in the Completion Accounts being not less than US\$1 million;
- (K) the Vendor having provided the Purchaser with a confirmation or other documents, showing that all licence fees and other fees required to be paid by Sao Mai to the mineral resources authority of Vietnam and/or other governmental authorities in respect of exploration, exploitation, mining, owning and operating the Target Mine, all the fees required to be paid by Sao Mai in obtaining the Mining Licence(s) (with a term of not less than 5 years commencing from 31 December 2013) and all other operating Permits in respect of the Target Mine having been fully paid and there are no outstanding fees;
- (L) none of the warranties and other provisions of the Acquisition Agreement having been breached in any respect (or, if capable of being remedied, has not been remedied) or (in respect of any of the warranties) is misleading or untrue in any respect; and
- (M) the Purchaser being reasonably satisfied that, from the date of the Acquisition Agreement to Completion, there has not been any material adverse change in respect of any member of the Target Group (including without limitation Sao Mai).

The Purchaser may waive any of the Closing Conditions (other than that in items (A) and (B) above). If any of the Closing Conditions (other than item (J) above) cannot be fulfilled or, as the case may be, waived by the Purchaser on or before the Long Stop Date, or any of the Closing Conditions as set out in item (J) above cannot be fulfilled or, as the case may be, waived by the Purchaser as at Completion, the obligations of the parties under the Acquisition Agreement shall cease and determine (save and except the confidentiality provisions which

shall continue to have full force and effect) and none of the parties hereto shall have any claim under the Acquisition Agreement against the others, save in respect of any antecedent breaches of the Acquisition Agreement.

Consideration

The Consideration payable by the Purchaser to the Vendor for the Acquisition shall be US\$34 million, subject to any downward adjustments set out below.

Equity and loan portions of the Consideration

The portion of the Consideration (after adjustment set out below) payable in respect of the acquisition of the Sale Loan (“**Loan Portion Consideration**”) shall be an amount equal to the face value of the Sale Loan as at the Completion Date, provided that where the face value of the Sale Loan is equal to or greater than the Consideration (after the said adjustment), the Loan Portion Consideration shall be deemed to be the amount of the Consideration (after the said adjustment) less US\$1.

The portion of the Consideration (after adjustment set out below) payable in respect of the acquisition of the Sale Shares (“**Equity Portion Consideration**”) shall be an amount equal to the difference between the Consideration (after the said adjustment) and the Loan Portion Consideration.

Settlement of the Consideration

The Consideration shall be paid by the Purchaser:

(A) upon and subject to:

- (i) the signing of the Acquisition Agreement;
- (ii) each of the Deposit Security Documents in form and substance satisfactory to the Purchaser having been duly executed as security for the repayment of the Deposits to the Purchaser; and
- (iii) the Purchaser having received legal opinions confirming (among other matters) the legality, validity, binding effect, enforceability, due authorisation and due execution of each of the Deposit Security Documents, in form and substance to the satisfaction of the Purchaser,

by the payment of a deposit in the sum of US\$6 million (“**Initial Deposit**”) to Vendor (or such other person(s) as may be nominated by the Vendor):

- (x) as to US\$5.5 million in immediately available cash; and
- (y) as to remaining US\$0.5 million, by way of assignment to the Vendor of a loan receivable by the Purchaser from any third party.

Upon execution of the loan assignment by the Purchaser to settle such amount of the Initial Deposit in the manner set out in paragraph (y) above, the Purchaser’s obligation to pay such an amount to the Vendor shall be discharged fully and absolutely, and the Vendor shall have no recourse nor right to claim any of the Initial Deposit against the Purchaser.

The Initial Deposit shall not be paid by the Purchaser to the Vendor, unless and until all the conditions set out in items (i) to (iii) of this sub-paragraph (A) are fulfilled.

The Deposit Security Documents were executed by the relevant parties on 5 September 2013. The Initial Deposit of US\$6 million is expected to be settled in full on 9 September 2013, which the Purchaser expects to obtain the legal opinions stated in (iii) above on that date. The Purchaser intends to assign the loan with an amount of US\$0.5 million under the loan agreement dated 21 January 2013 (“**Loan Agreement**”) made between the Purchaser as lender and Mineral Land Holdings Limited as borrower as disclosed in the circular of the Company dated 17 April 2013. Based on the best knowledge of the Directors, Ms. Wang Di (i.e. the current ultimate sole beneficial owner of Mineral Land Holdings Limited) and the Vendor are business partners in Vietnam. Such loan assignment can enhance the Group’s financial position as such amount of receivable under the Loan Agreement has been offset by the payment obligation of the Consideration. The Vendor has consented to such loan assignment as such part of payment of the Consideration. As at the date of this announcement (immediately before the assignment of the loan), the outstanding principal of the loan under the Loan Agreement is US\$8.5 million.

(B) (i) on the last day of the two months after the date of the Acquisition Agreement; and (ii) upon the satisfaction of the Purchaser with the preliminary drilling results conducted by the Purchaser’s internal engineer in relation to the Target Mine (and which should be dated after the date hereof), whichever is later, by the payment of further deposit in the sum of US\$2 million (“**Further Deposit**”) to the Vendor (or such other person(s) as may be nominated by the Vendor) in immediately available cash or in such other manner as may be agreed between the Vendor and the Purchaser in writing;

(C) at Completion, the amount of:

the Consideration of US\$34 million
or x 60% – Initial Deposit (if any)
the Adjusted Consideration (being US\$34
million subject to any downward adjustment)

to the Vendor (or such other person as may be nominated by the Vendor) to be settled in immediately available cash or in such other manner as may be agreed between the Vendor and the Purchaser in writing (“**First Balance**”); and

(D) (i) at Completion; and (ii) within seven Business Days after the slag production plan of Sao Mai (in form and substance to the satisfaction of the Purchaser) is released, whichever is later, the amount of:

the Consideration of US\$34 million
or x 40% – Further Deposit (if any)
the Adjusted Consideration (being US\$34
million subject to any downward adjustment)

to the Vendor (or such other person as may be nominated by the Vendor) to be settled in the following manner (“**Second Balance**”):

(i) in immediately available cash; or

- (ii) by way of assignment to the Vendor of a loan receivable by the Purchaser from any third party; or
- (iii) in such other manner as may be agreed between the Vendor and the Purchaser in writing.

The Purchaser has the sole discretion to elect the manner of payment as set out in sub-paragraph (i) and/or (ii) above, and if the Purchaser elects to settle all or part of the Second Balance in the manner set out in paragraph (ii) above, the Purchaser's obligation to pay such an amount to the Vendor shall be discharged fully and absolutely, and the Vendor shall have no recourse nor right to claim any of the Consideration against the Purchaser.

The Deposits shall on Completion be applied to satisfy payment of a pro tanto amount of the Consideration (after adjustment). If the Acquisition Agreement is terminated, the Vendor shall repay within one month after the Long Stop Date, to the Purchaser an amount equivalent to the Deposit without interest. If the Vendor fails to repay the entirety of the said amount of the Deposits to the Purchaser before the prescribed date, interest shall accrue from the due date of payment until the date of full repayment at the rate equivalent to the higher of (i) 8 per cent. per annum, and (ii) the current US\$ best lending rate as quoted by The Hongkong and Shanghai Banking Corporation Limited for the same US Dollar amount.

Adjustments to the Consideration

Where (i) the quantity ("**Completion Quantity**") of the Resources (as determined in accordance with Closing Condition (C) above) per hectare is less than 10,000 metric tons; and/or (ii) the area of the Target Mine as specified in the Mining Licence(s) ("**Actual Area**") is more than 300 hectares but less than 320 hectares:

- (A) the amount of Adjusted Consideration shall be equal to such amount as determined in accordance with the following formula:

$$= \{(\text{US\$34 million}) \times (\text{CQ} \div \text{PQ}) \times (\text{AA} \div \text{PA})\}$$

- (B) for the purpose of sub-paragraph (A) above:

"CQ" = Completion Quantity in metric tons;

"PQ" = AA (provided that the maximum amount of such AA shall not exceed 320 hectares) x 10,000 metric tons;

"AA" = Actual Area in hectares; and

"PA" = 320 hectares

Further, the Vendor warrants and undertakes to the Purchaser that immediately before Completion:

- (C) the consolidated net tangible asset value ("**NTAV**") of the Target Group is no less than US\$1 million (excluding face value of the Sale Loan as at Completion);

- (D) each Target Group Company will have no outstanding borrowings, obligations, accounts payable or liabilities (whether actual or contingent), except for:
- (i) those indebted to other members of the Target Group;
 - (ii) those indebted by the Target Group Company to the Vendor (which indebtedness shall constitute the Sale Loan); and
 - (iii) those arising in the ordinary course of trading business of the Target Group, which aggregate amount shall not exceed US\$10,000;
- (E) (otherwise than those as shown in the Accounts or disclosed to and agreed by the Purchaser in advance) there are no guarantees given by any Target Group Company whatsoever and howsoever; and
- (F) the aggregate amount of accounts receivable and trade receivables (after making provision for overdue accounts receivable and trade receivables in line with the Company's policy of bad debts and doubtful debts) shall not exceed US\$10,000.

If there occurs any breach of the warranties and reflected in the Completion Accounts, the Consideration shall be reduced by an amount equal to the shortfall.

The adjustments above shall be made on a cumulative basis, and are not mutually exclusive.

The Consideration (or the Adjusted Consideration as the case may be) may be further reduced as stipulated under sub-paragraph (D)(ii) in the paragraph headed "Closing Conditions" above.

Determination of the Consideration

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser after taking into consideration by the Company of various factors, including but not limited to, (i) the unaudited net assets value of Sao Mai as at 30 June 2013 of approximately VND 42.697 billion (equivalent to approximately US\$2 million); and (ii) the expected amount of Resources as mentioned in paragraph (C) under the section headed "Closing Conditions" above. As such, the Directors consider that the Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Other undertakings by the Vendor

Pursuant to the Acquisition Agreement, the Vendor shall procure that the Mining Licence(s) shall have a validity period of not less than 5 years commencing from 31 December 2013 and at the sole cost of the Vendor (provided that such cost shall not include the cost for drilling or exploration of the Resources of the Target Mine) that the renewal or extension of the validity period of the Mining Licence(s) until 80% of Resources in compliance with Vietnam Mining Standard 333 have been explored or exhausted.

Further, the Vendor undertakes to the Purchaser that Sao Mai shall, within 60 calendar days after the date of the Acquisition Agreement, enter into a drilling exploration contract ("**Drilling Contract**") in relation to the Target Mine with the General Department of Geology and Minerals of Vietnam, which is to be in form and substance to the satisfaction of the Purchaser. All costs and expenses of the drilling activities pursuant to the Drilling Contract ("**Drilling Costs**") shall be borne by the Purchaser, except that if such drilling activities have

not been completed within six months from the date of the Acquisition due to the reasons of the Vendor, the Vendor shall be responsible for all Drilling Costs and indemnify all costs, fees, expense and losses incurred or suffered by the Purchaser in connection with the Drilling Costs.

Completion

Upon fulfillment or waiver of all the Closing Conditions, Completion shall take place on the Completion Date (being the fifth business day after the day on which the last of the Closing Conditions (other than Closing Condition (J) above) shall have been satisfied or waived or such other date as the parties may agree in writing but, in any event, no later than the Long Stop Date).

Upon Completion, the Target Companies (and thus Sao Mai) will become indirect wholly-owned subsidiaries of the Company and its financial results and assets and liabilities will be consolidated in the financial statements of the Group.

INFORMATION OF THE TARGET GROUP

As at the date of this announcement, Sao Mai is owned by Nguyen Van Hoi, Nguyen Thi Hong Van and Huynh Cong Dinh (collectively, the “**Sao Mai Shareholders**”) as to 48.67%, 11.33% and 40% of the Sao Mai’s charter capital respectively. As advised by the Vendor, Targetco A and Targetco B entered into the Sao Mai SP Agreements with the Sao Mai Shareholders on 8 August 2013, pursuant to which 60% and 40% of the equity interests in Sao Mai shall be transferred to Targetco A and Targetco B respectively in accordance with the terms and conditions therein. The completion of the Sao Mai SP Agreements is expected to take place in or before the end of December 2013.

The Target Group comprises Targetco A, Targetco B and Sao Mai.

Each of Targetco A and Targetco B is a BVI company which is principally engaged in investment holding and does not have any material assets and property as at the date of this announcement.

Sao Mai is a joint stock company incorporated in Vietnam in November 2003 which is principally engaged in the exploration of the Target Mine in Vietnam which contain ilmenite, zircon, rutile and monazite ore resources.

According to the unaudited financial statements of Sao Mai made up to 30 June 2013, the book value of the net assets of Sao Mai was approximately US\$2,000,000. The following table shows the unaudited financial results of Sao Mai for the two years ended 31 December 2012:

	For the year ended 31 December 2012 (US\$)	For the year ended 31 December 2011 (US\$)
Net assets	691,000	718,000
Revenue	278,000	324,000
Loss before/after taxation	28,000	116,000

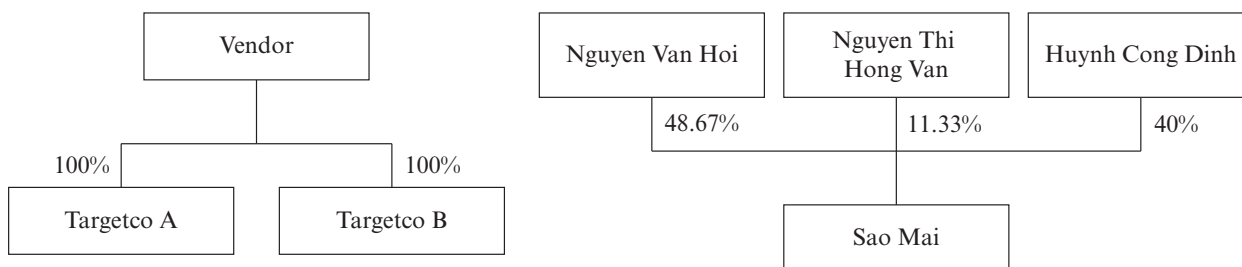
As advised by the Vietnam legal advisers of the Company, Sao Mai is currently under the process of applying for the Mining Licence in relation to the Target Mine and under the Mineral Laws the following conditions must be satisfied for the purpose of granting the Mining Licence:

- (A) having a mineral mining investment project for an area which has already been explored and for which the mineral reserves have been approved in accordance with the national master plan on general mineral exploration and mining;
- (B) having an environmental impact assessment report; and
- (C) having equity at least equal to 30% of the total investment capital of the mineral mining project.

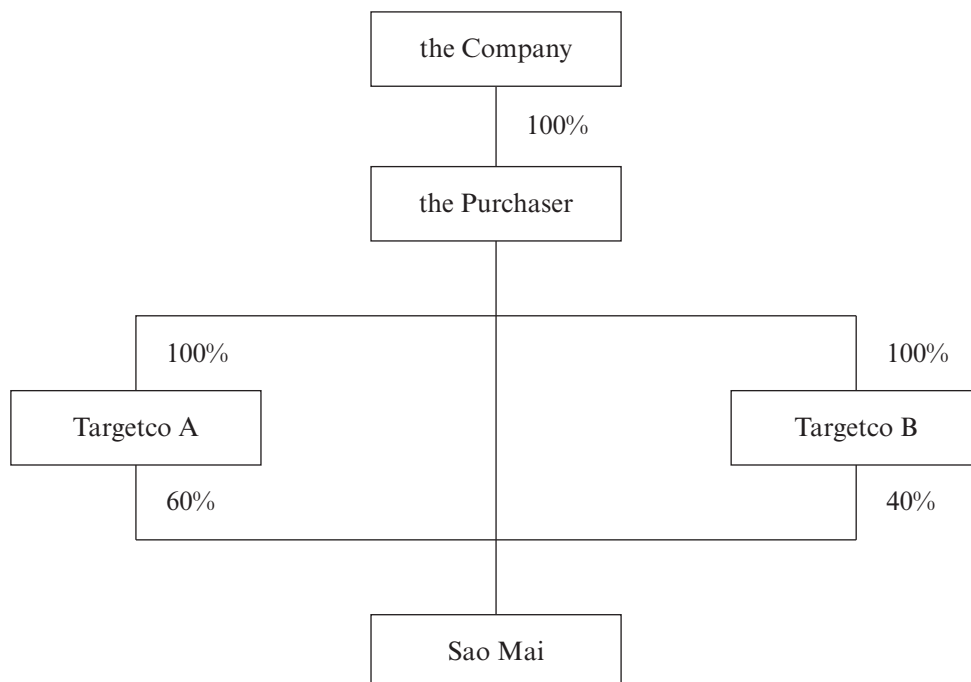
As advised by the Vietnam legal advisers of the Company, Sao Mai has already satisfied all the above conditions as required by the Mineral Laws to obtain the Mining Licence in relation to the Target Mine. The Ministry of Natural Resources and Environment of Vietnam is awaiting the opinion and consent from the Prime Minister of Vietnam before issuing the Mining Licence to Sao Mai. The Mining Licence is expected to be obtained by the first half of 2014.

CORPORATE STRUCTURE OF THE TARGET GROUP

The following corporate chart depicts the shareholding structure of the Target Group as at the date of this announcement:



The following corporate chart depicts the shareholding structure of the Target Group immediately after Completion:



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.

The Group has embarked on a number of acquisitions since the first half of 2006, by which the Group has been exploring opportunities in the business of exploring, mining, processing and sale of zinc, iron, lead and gold ore. The Acquisition will allow the Group to diversify its revenue stream in the resources sector and strengthen the Group's investment in Vietnam. For such reasons, the Group entered into the Acquisition Agreement.

The market prices of non-ferrous metals are at a relatively low range due to the financial crisis in recent years. The Directors believe that the economy of the PRC will continue to grow and the recovery of the world economy will increase the demand for national consumption of metals in the near future, and thus through the Acquisition the Group can diversify its revenue stream in the resources sector and bring better returns to it.

In light of the above, the Directors consider the terms of the Acquisition Agreement (including the Consideration) are fair and reasonable and are in the interest of the Shareholders as a whole.

The Company has engaged Roma Oil & Mining Associates Limited ("ROMA") as our technical consultant to prepare the relevant reports in compliance with the JORC Code, the Listing Rules and other applicable regulations.

IMPLICATIONS OF THE LISTING RULES

As certain applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) exceed 25% but fall below 100%, the Acquisition constitutes a major transaction for the Company and will be subject to the approval of the Shareholders by way of poll pursuant to Chapter 14 of the Listing Rules at the EGM.

GENERAL

The EGM will be convened at which resolution(s) will be proposed to seek the approval of the Shareholders for the transactions contemplated under the Acquisition Agreement. In accordance with the Listing Rules, any vote at the EGM shall be taken by poll.

A circular containing, among other things, details of the Acquisition Agreement and the transactions as contemplated thereunder, together with notice convening the EGM will be despatched to Shareholders on or before 31 May 2014 as additional time is required for the preparation of (among others) the technical report and valuation report in accordance with Chapter 18 of the Listing Rules to be included in the circular.

As the Completion is subject to the Closing Conditions, the Acquisition may or may not proceed. Shareholders and investors should exercise caution when dealing in securities of the Company.

DEFINITIONS

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

“Accounts”	the audited consolidated financial statements of the Target Companies for each of the two years ended 31 December 2012 and the draft audited consolidated financial statements of the Group for the year ended the Accounts Date, together with the notes thereto
“Accounts Date”	31 December 2013
“Acquisition”	the purchase by the Purchaser of the Sale Shares and Sale Loan from the Vendor, on and subject to the terms and conditions of the Acquisition Agreement
“Acquisition Agreement”	the sale and purchase agreement dated 5 September 2013 entered into between the Purchaser and the Vendor in relation to the Acquisition
“Adjusted Consideration”	the Consideration as adjusted downward as set out in the paragraph headed “Consideration — Adjustments to the Consideration” of this announcement
“Board”	the board of Directors
“BVI”	British Virgin Islands
“Closing Conditions”	the conditions precedent to completion of the Acquisition Agreement
“Company”	Yue Da Mining Holdings Limited 悦達礦業控股有限公司, a company incorporated in the Cayman Islands and the issued Shares of which are listed on the main board of the Stock Exchange
“Completion”	completion of the Acquisition

“Completion Accounts”	the unaudited consolidated balance sheet of the Target Group as at the close of business on the date immediately prior to the Completion Date and the unaudited consolidated profit and loss account of the Target Group for the period beginning the Accounts Date and ending the date immediately prior to the Completion Date, to be prepared by the Vendor
“Completion Date”	the fifth business day after the day on which the last of the Closing Conditions (other than the Closing Condition (J)) shall have been satisfied or waived or such other date as the parties may agree in writing but, in any event, no later than the Longstop Date
“Consideration”	US\$34 million, being the purchase price of the Sale Shares and Sale Loan payable by the Purchaser to the Vendor (subject to adjustments)
“Deposits”	collectively, the Initial Deposit and the Further Deposit (as defined in the paragraph headed “Consideration — Settlement of the Consideration” in this announcement)
“Deposit Security Documents”	collectively, <ul style="list-style-type: none"> (i) the charge over the entire issued share capital in Targetco A to be executed by the Vendor in favour of the Purchaser; (ii) the charge over the entire issued share capital in Targetco B to be executed by the Vendor in favour of the Purchaser; and (iii) the mortgage over shares of Sao Mai to be executed by the Sao Mai Shareholders in favour of the Purchaser, all in form and substance to the satisfaction of the Purchaser
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve the relevant matters mentioned in this announcement
“Group”	collectively, the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	independent third party(ies) who is/are not connected person(s) of the Company and is/are independent of and not connected with the Company and directors, chief executive, controlling shareholders and substantial Shareholders of the Company or any of its subsidiaries or their respective associates
“JORC Code”	the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2004 edition), as published by the Joint Ore Reserves Committee, as amended from time to time
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Longstop Date”	30 June 2014, or such later date as the parties may agree in writing
“Mineral Laws”	the Law on Minerals of Vietnam no. 60/2010/QH12 dated 17 November 2010 which came into effect on 1 July 2011, as amended, modified or replaced from time to time and such other laws of Vietnam concerned with mineral resources, and such other related rules, regulations, measures and policies formulated and promulgated by the governmental agencies or public bodies of Vietnam (including without limitation national, provincial and other local authorities)
“Mining Licence(s)”	the mining licence(s) to be issued by the Ministry of Natural Resources and Environment or the People’s Committee of Binh Thuan Province, Vietnam to Sao Mai in respect of the Target Mine and the right to conduct exploration work for Resources over the respective mining sites designated for the Target Mine exclusively pursuant to the Mineral Laws
“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”	Yue Da Mining Limited (悦達礦業有限公司), a company incorporated in the BVI and a direct wholly owned subsidiary of the Company
“Resources”	the ilmenite, zircon, rutile and monazite ore resources in the Target Mines
“Sale Shares”	the entire issued share capital of the Target Companies
“Sale Loan”	the aggregate of such amount as equals the entirety of the face value of the loans outstanding as at the Completion Date made by or on behalf of the Vendor to Targetco A and Targetco B and all title, benefits and interests thereon
“Sao Mai”	Sao Mai Joint Stock Company, a company duly incorporated and operating under the laws of Vietnam pursuant to Enterprise Registration Certificate No. 3400377599 dated 12 November 2003 issued by the Department of Planning and Investment of Binh Thuan Province of Vietnam
“Sao Mai Shareholders”	collectively, Nguyen Van Hoi, Nguyen Thi Hong Yan and Huynh Cong Dinh, being all the shareholders of Sao Mai as at the date of this announcement
“Sao Mai SP Agreements”	the sale and purchase agreements both dated 8 August 2013 and entered into between Targetco A and Targetco B as purchasers and the Sao Mai Shareholders as vendors respectively in relation to the sale and purchase of the entire charter capital in Sao Mai
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Target Companies”	collectively, Targetco A and Targetco B, and the expression “Target Company” shall mean any of them
“Target Group”	Targetco A and Targetco B and their respective subsidiaries including Sao Mai, and the expressions “member of the Target Group” and “Target Group Company” shall be construed accordingly
“Target Mine”	ilmenite, zircon, rutile and monazite ore deposits located in Hong Phong Ward and Hoa Thang Ward, Bac Binh District, Binh Thuan Province, Vietnam, which covers an aggregate site area of not less than 320 hectares, where the Mining Licence(s) in respect of which is to be held by Sao Mai
“Targetco A”	Expert Union Investments Limited, a company incorporated in BVI with limited liability which is wholly and beneficially owned by the Vendor as at the date of this announcement
“Targetco B”	Sky Modern Investments Ltd., a company incorporated in BVI with limited liability which is wholly and beneficially owned by the Vendor as at the date of this announcement
“US\$”	United States Dollars, the lawful currency of the United States of America
“Vendor”	Truong Thi Kim Soan, being a Vietnam passport holder
“Vietnam”	the Socialist Republic of Vietnam
“Vietnam Mining Standard 333”	the Resource Standard 333 under Decision 14/2008/QD-BTNMT of the Ministry of Environment and Natural Resources of Vietnam dated 30 December 2008 regulating on exploration and levelling reserves and resources of titanium, gold and tin
“VND”	Vietnamese Dong, the lawful currency of Vietnam
“%”	per cent.

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

Hong Kong, 5 September 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.